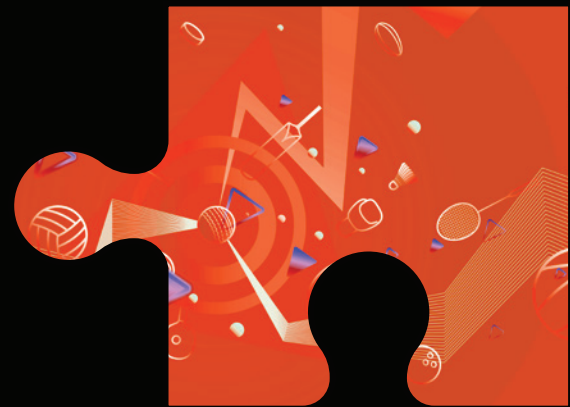


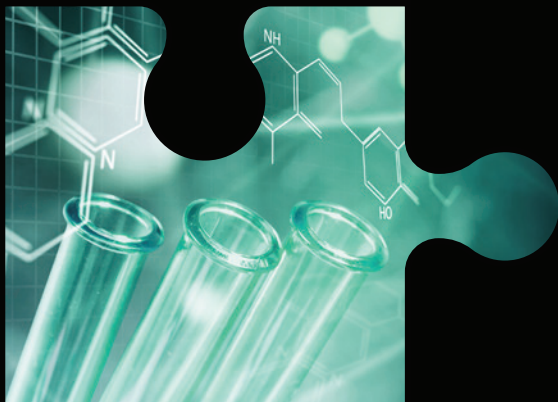
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MARCH 2024



THE 2024 DEALMAKERS OF THE YEAR



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NEIL BARR AND BRIAN WOLFE

By Christine Simmons

With a cloud of investigations and scrutiny hanging over the Washington Commanders NFL franchise and owner Dan Snyder in 2023, the sale of the pro football team attracted an avalanche of media attention and multiple bidders. When Josh Harris led a group of investors in a \$6.05 billion bid – the largest price ever for a professional sports franchise – they turned to Davis Polk & Wardwell’s Neil Barr and Brian Wolfe. The firm had become a trusted adviser to Harris after lawyers there previously advised the Apollo Global Management co-founder on other matters in recent years.

Barr and Wolfe led a Davis Polk team that ultimately spent thousands of hours in the spring and summer to close the deal. Hogan Lovells also advised on aspects of the deal.

Snyder, advised by Cravath Swaine & Moore, was selling the team after a congressional committee’s investigation found he had tried to suppress evidence of sexual harassment in team offices. While many fans were hoping for a fresh start with a new owner, the Davis Polk team still had to overcome several challenges to close the deal – all before the start of training camp for the following season.

Given the unique circumstances of the sale, “there was intense media scrutiny around the entire sales process,” Wolfe said, making an impact on the quality of information for everyone in the deal.

“Our group was so personally invested in making sure this deal gets done, personally and for the community, and trying to keep our eye on the prize,” Wolfe said. “It was a bit of a rollercoaster, given the public information and coverage.”

Davis Polk was working with Harris as well as a group of investors, such as retired NBA star Magic Johnson, Blackstone executive David Blitzer, and Mitch Rales, co-founder of Danaher Corp. It was a “reasonably large ownership group, so putting all of that together and working with the NFL rules on how owners have to structure themselves and their financial arrangements,” Barr said, was a “work stream that was essentially independent of the negotiations” with the sale.

With the team approach, Wolfe said, “You have to make sure you’re creating a framework with a diverse group of investors that has strength and stability going forward.”

Lawyers had to work around NFL rules at the time that required no more than \$1.1 billion of debt in buying a team. “It was important that for the whole deal, the ownership group complies with the rules, including around debt finance, and one of the challenges we worked through was constructing something that was compliant with league rules and the universe of stakeholders,” Barr said.

Davis Polk, which also advised on the sale of the New York Mets baseball team in 2020, has increasingly spent more time in the sports ecosystem for various finance and corporate deals. The firm has identified sports investing as a “strategic practice area” for growth, Barr said.

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LOUIS GOLDBERG



H. OLIVER SMITH



SHANU BAJAJ

DAVIS POLK & WARDWELL LLP

By Brenda Sapino Jeffreys

A trio of Davis Polk & Wardwell partners in New York, working at a speedy pace, guided Exxon Mobil Corp. in the largest deal struck in 2023, the Houston-based company's \$59.5 billion acquisition of Pioneer Natural Resources.

"This went surprisingly quickly. I would say, start to finish, under a month, which is very unusual," said Louis Goldberg, a co-chair of M&A at Davis Polk who represented Exxon along with partners H. Oliver Smith and Shanu Bajaj.

Goldberg has a long history with Exxon, representing the company in its \$75 billion merger with Mobil in 1999, and shortly before the Pioneer deal, the close-knit trio of Davis Polk lawyers represented Exxon in its \$4.9 billion all-stock acquisition of Plano, Texas' Denbury, a carbon capture company.

Exxon's acquisition of Houston-based Pioneer, which Goldberg expects to close during the second quarter, is the largest in the energy and power sector this century.

Goldberg said Exxon and Pioneer had flirted before, but talks got serious about three weeks before the deal was announced on Oct. 11. Goldberg said he and Smith and Exxon executives traveled to Chicago to negotiate one weekend in late September with Pioneer executives and its legal team.

"The negotiations were tough. These two sides were very disciplined," he said.

Obstacles on the deal, according to the firm, included agreement on the purchase price; a compromise involving regulatory covenants; Exxon's willingness to litigate if needed to secure regulatory approval; and its unwillingness to agree to a reverse termination fee, novel tax structuring, and negotiating benefits and protections for Pioneer's workforce.

After that weekend of in-person negotiations in Chicago, Goldberg said, the sides talked on and off over the next few days, and eventually Goldberg and Smith were in Houston working closely with the Exxon team. Bajaj, meanwhile, was just as involved, but from New York, where she managed the team and documents.

Agreeing on the purchase price was the most important aspect of the talks, Goldberg said, noting that a meeting of minds came with an unusual provision for Pioneer to pay out a special dividend before the closing. Goldberg said the parties were far apart on several issues and striking an agreement took a lot of hard negotiation. But from the firm's perspective, that process was eased by its longstanding relationship with Exxon. "Having worked for this client for so long, relationships have grown [with] understanding of their business," he said.