

## Mergers & Acquisitions Group Of The Year: Davis Polk

By **Al Barbarino**

*Law360 (February 13, 2024, 1:52 PM EST)* -- Davis Polk & Wardwell LLP guided Exxon Mobil Corp. in its agreement to buy Permian Basin shale producer Pioneer Natural Resources for \$59.5 billion, the largest deal announced in 2023, landing the firm a spot among Law360's Mergers & Acquisitions Groups of the Year.

The firm also advised on an array of billion-dollar deals spanning a diverse set of industries including banking, sports, retail, energy and private equity, while also counseling Shearman & Sterling LLP on its planned merger with Allen & Overy LLP.

The ExxonMobil deal, which has an enterprise value of around \$65 billion, was the result of a long-standing relationship between Exxon and Davis Polk, attorneys from the firm told Law360.

"The decision was made early on for our team to be pretty small and tight given our historical relationship with the client and our knowledge of the individuals and how they run their business," said Oliver Smith, a lead partner on the deal. "That made us extremely efficient with getting things done and working to a deal."

The deal team spent two weeks between Chicago and Houston negotiating the agreement with the opposing counsel, hashing out negotiations on regulatory covenants, tax structures, and benefits and protections for Pioneer's workforce.

The regulatory and antitrust components were critical to getting the deal done as was fulfilling ExxonMobil's request that there be no reverse termination fee, Smith said.

"It's a lot of work signing a deal like that. It's pretty intense. So getting to the point of signing a deal was a big moment for everyone," Smith said. "The opportunity to continue to work for a client like ExxonMobil is a huge opportunity for us and not one we take lightly. And frankly, it's quite exciting."

The transaction was not only the largest announced in 2023, but it has helped usher in a new wave of consolidation in the oil and gas industry.

In another high-profile deal, Davis Polk represented Josh Harris and partners — who include Earvin "Magic" Johnson and billionaire businessman Mitch Rales — in their purchase of the NFL's Washington Commanders.



The \$6.05 billion purchase closed in July, marking the highest price ever for a North American pro sports franchise and topping 2022's \$4.65 billion sale of the Denver Broncos.

Davis Polk helped close the deal amid a highly competitive bidding process and intense media coverage.

"The biggest challenge of the transaction was navigating the competitive landscape, particularly given the media coverage and public attention, both in Washington and nationally," said Brian Wolfe, a partner and co-lead on the Commanders deal. "NFL franchises are obviously a scarce and unique asset, which in and of itself brings unique competitive dynamics."

Wolfe said the deal size was "a testament to the ever-increasing profitability of the NFL," based in part on the large sums that media partners are willing to pay for both broadcast and streaming rights.

He said Harris and his partners were "singularly focused on the opportunity to do something special in Washington." Celebrations were held at FedEx Field, the Commanders' home, on July 21, the day the partnership announced the deal.

"It was really awesome," Wolfe said. "We've all been to closing dinners, and they're fun, but the most rewarding part of this deal was being part of something that meant as much as it did to the local community."

Additional Davis Polk deals have included advising JPMorgan Chase on its acquisition of approximately \$203 billion of loans and securities from First Republic Bank and assumption of about \$92 billion of First Republic Bank's deposit liabilities; UBS on its \$3.2 billion takeover of Credit Suisse; Shearman & Sterling on the Allen & Overy merger; Livent on its \$10.6 billion merger of equals with Allkem; and Emerson on its \$8.2 billion purchase of National Instruments.

"Our group worked on a number of high-profile transactions across many industries in 2023," said Will Aaronson, the firm's M&A practice head. "It wasn't a record-breaking year in M&A, but it was much better than advertised. There's still a lot of activity, and I'm pretty optimistic heading into this year."

--Editing by Karin Roberts.