

Media & Entertainment Group Of The Year: Cravath

By Parker Quinlan

Law360 (January 30, 2025, 4:03 PM EST) -- Cravath Swaine & Moore LLP attorneys played a key role in a massive \$28 billion merger agreement between Paramount and Skydance that would create a new media conglomerate, and it counseled Disney in a suit from a Mexican soccer club claiming it was owed millions in streaming rights following Disney's purchase of 21st Century Fox, earning the law firm a spot among the 2024 Law360 Media & Entertainment Groups of the Year.

Cravath worked in coordination with five other heavy-hitting law firms on the Paramount merger, including Simpson Thacher & Bartlett LLP, Latham & Watkins LLP, Ropes & Gray LLP and Sullivan & Cromwell LLP, with Cravath acting as an adviser to the special committee of the board composed of independent directors for Paramount.

Dan Cerqueira, a partner in Cravath's corporate practice, said the deal was complicated because it involved a controlling stockholder, which adds "a layer of complexity" to a deal, especially one with as many moving parts as the Paramount merger.

"Controlling stockholder transactions are out there, but they are not very common," Cerqueira said. "They always add a layer of complexity given the additional legal scrutiny, fiduciary issues, and things that come up."

As part of the deal, Paramount considered a competing offer from a group of investors led by media executive Edgar Bronfman Jr., who submitted a proposal in August 2024 that complicated the potential merger with Skydance.

Paramount was given a 45-day "go-shop" provision as part of the Skydance deal to consider competing offers, and while it asked for a 15-day extension to consider the Bronfman offer, it ultimately ended up meeting with Skydance. Cravath estimates the value of the combined company, known as New Paramount, at approximately \$28 billion.

Cravath also represented Disney in a lawsuit brought by Mexican soccer club Santos Laguna in California state court in 2020 claiming it was owed millions over an alleged breach of contract following Disney's purchase of 21st Century Fox, according to the firm.

Disney made a bid to purchase Fox's assets in a \$71 billion blockbuster deal in June 2018, but was



required to spin off several sports networks, including Fox Sports, for the deal to obtain regulatory approval in Mexico.

Santos Laguna, a soccer club based in northern Mexico, had a previous broadcast deal with Fox Sports, and as part of the spinoff deal Disney sold the team's assets to another partner, which the soccer club claims caused it to lose out on millions of dollars in broadcast rights.

Wes Earnhardt, a partner in Cravath's litigation practice, said that the two sides ultimately went to a jury trial in April 2024 and reached a settlement after it had begun. While he could not disclose details about the settlement, he praised the work that went into ending the suit, saying it was "well fought litigation on both sides."

Cravath has set itself apart this year, not simply for the eye-popping dollar figures in its deals, but also with the breadth of media cases it was able to tackle.

Cerqueira said the media industry continues to undergo rapid change and growth, particularly as the traditional media business model continues to evolve in light of innovations like streaming platforms.

"Netflix is no longer an upstart, and that was certainly not a company you would have considered a traditional media company until very recently," he said. "We very well might see further consolidation and just other transactions as the industry seems to transition further from that traditional linear traditional cable TV and broadcast TV business model to much more on-demand or even just livestreaming."

--Editing by Adam LoBelia.

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