

Lunch with the FT Faiza Saeed

## Lawyer Faiza Saeed: ‘There’s a human element to all deals’

The powerbroker with a ringside seat to big US mergers on knife-edge decision-making – and how clients can become friends

BROOKE MASTERS



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Faiza Saeed glides into her seat at Le Bernardin, in her element among the Manhattan power lunchers. Clad in a leopard-print blouse and black trousers, the poised corporate lawyer explains that the Michelin three-star establishment is a regular haunt, even though Cravath, Swaine & Moore, the elite “white shoe” firm that she runs, has recently moved offices and is no longer an easy walk away.

Saeed has just been honoured at a star-studded dinner, alongside financial data baron Michael Bloomberg and actor-director Ron Howard, as “a principal architect of the modern media landscape” because of the quiet guidance she has provided to chief executives for decades. Half a dozen global moguls, including Disney’s Bob Iger, former Vivendi chief Jean-Marie Messier and Richard Plepler, former chief

executive of HBO, paid tribute to the 58-year-old’s ability to whisper them through high-stakes moments, from negotiating landmark deals to defanging activist investors.

Howard Schultz, former chief executive of Starbucks, told the glittering assembly that he had been turning to Saeed for more than two decades, and “in every single example, as God is my witness, her advice and counsel has helped the company and helped me be a better person . . . She can read a room better than anyone you’ve ever met.”

The particular room where we are meeting is coolly elegant, dominated by a gigantic ocean seascape that nods to Le Bernardin’s focus on fish. The well-spaced tables, sound-deadening carpets and the gentle clink of plates and silverware create a virtual cocoon, perfect for discreet conversation.

Saeed loves its “gracious” understated mien and waiters who can usually be relied on not to fawn over her big-name clients. “You also have the chance to be good because you’re eating fish, even though you are eating 18,000 calories,” she says with a smile.

We consider the menus: the mandatory three-course meal starts with a choice among “almost raw” or “barely touched” starters, while the mains are “lightly cooked”. When I ask for recommendations, she says: “I always get the artichoke and one of the fish.” I opt for tuna tartare with sea urchin followed by red snapper.

We are meeting on Juneteenth, a US federal holiday, and neither of us has to go back to the office, so we ask the sommelier to recommend glasses of appropriate wine. He suggests a Portuguese white for me and gently

overrides Saeed’s suggestion of a Riesling, saying red burgundy would pair better with her halibut.

She acquiesces with a shrug: “I never would have guessed that halibut would go with red. It sounds a little revolutionary.”

**Corporate law is not a field** for the weak or the squeamish. Dominated largely by brash, tough-talking men, it routinely requires working all night at short notice and in secrecy against impossible deadlines. The clients – ambitious executives, aggressive private equity barons and cocky investors – are often deaf to advice they don’t want to heed. The underlying transactions, from mergers and acquisitions to initial public offerings and proxy fights, make and lose fortunes,

shape the global economy and determine the fates of millions of workers.

For decades, Cravath, famed for its blue-chip client list, not only had a hand in most of those deals, but set the standard for American corporate law: firms across the country would wait for it to announce the size of annual pay rises and benchmark their own salaries accordingly.

“**You learn how to accept that there are two sides to everything and your job is to know how to marshal your arguments, whichever side you are tasked with arguing for**

Working there for 33 years has put Saeed — in words that she borrows from the musical *Hamilton* — in “the room where it happens” for some of the most notorious corporate events of the past three decades. A junior partner during the 2000 negotiations over the \$350bn AOL-Time Warner merger, often dubbed the worst deal of all time, she had graduated to trusted adviser for Vivendi’s 2000s acquisitions spree and desperate cash crunch in the same decade.

When we meet, she has recently helped Iger score a major victory in his bitter and expensive battle with activist investor Nelson Peltz and is advising the Paramount independent directors on their negotiations with Skydance Media. “Everybody thinks about it as big personalities and egos . . . but there’s also a human element to all deals,” she says.

The hardest details to nail down in any negotiation are about people, about who gets what title, who stays on and who gets pushed out, she says. “You’re there to give them advice. In some ways you’re able to be more objective in helping them navigate what they’re facing. But you also can bring empathy and understanding at a human level of what they’re going through.”

While we nibble on the amuse-bouche, a tiny salmon rilette with a thimbleful of carrot and ginger soup, Saeed tells me that law wasn’t her first plan. Raised in northern California by Pakistani immigrants, she initially wanted to sing professionally. But the adrenaline rush she got from warbling torch songs à la Barbra Streisand at talent shows wore off too quickly.

She interned with a San Francisco radio station and graduated from high school early to attend a local community college. After transferring to the flagship University of California campus at Berkeley in 1985, she studied molecular biology but found laboratory work

lonely and started reading the business pages. It was the era of corporate raiders that would later be memorialised in *Barbarians at the Gate*, the bestselling book about the private equity-backed buyout of RJR Nabisco, and Saeed was hooked.

She added a second major in economics and went to Harvard Law School, which was an adjustment for a former scientist. “You learn how to accept that there are two sides to everything and your job is to know how to marshal your arguments, whichever side you are tasked with arguing for,” Saeed remembers.

Corporate law was her jam, and Cravath, despite its near-total dearth of female role models and a reputation for demanding extraordinarily hard work, proved irresistible. Her very first deal involved a subsidiary of KingWorld, the company behind the game shows *Jeopardy!* and *Wheel of Fortune*, with the father of tennis player John McEnroe leading the legal team on the other side.

In another early transaction, the sale of the Hard Rock Cafe chain to Rank, the senior lawyer put Saeed in charge of advising the chain’s limited partners. One day the phone rang, and it was Ben Stein, the famously grumpy actor and economics commentator, demanding details about his investment. “It was pretty daunting. He’s a tough cookie . . .

But then you live through it, and that’s pretty awesome,” she remembers.

“Part of being a professional is coping with not knowing everything and still having to decide and give advice,” she says. “Sometimes you have to react in the moment. And I think it makes you resilient.”

**By the time the deft waiters** have poured sauces over our starters, Saeed is telling me about representing Time Warner as it scrambled to cope with the arrival of the internet. It was 1999 and Google was a mere start-up, while digital portal America Online had momentum and cachet. Time Warner’s world-famous magazines, movie studio, cable division and the HBO television network brought in more revenue and employed far more people than AOL, but its executives were dying to do a deal.

Negotiations were kept so secret that most people at Time Warner felt blindsided. “The impetus for the deal wasn’t wrong . . . They accurately diagnosed the concern that the internet was going to be a disruptive technology,” Saeed says. “But when it was announced, the first place I heard from was HBO and they were not happy about it. They said, ‘What the heck have you guys done?’”

Things went downhill from there: the combined company reported the largest annual corporate loss in history, and AOL was later revealed to have been inflating its advertising revenue.

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Years later, when the company had gone back to calling itself Time Warner, Saeed stood beside chief executive Jeff Bewkes as he fought a hostile takeover by 21st Century Fox. “Everybody kind of counted us out because, they said, nobody’s going to prevail against Rupert Murdoch,” she says.

On Saeed’s advice, Bewkes and the board refused to be rushed, and changed the rules to prevent Fox from calling a special shareholder meeting. “When they leaked the offer, we were ready. We had our press release rejecting it out really in minutes,” she remembers. “Things like that can make a real difference because a hostile [bid] is as much a psychological battle as it is a real one. Part of what you’re demonstrating to the bidder is that you’re in for a real fight.”

The waiter gently drizzles my red snapper and asparagus with an emulsion based on unripe grapes. I gobble it down. Saeed eats her halibut in red wine sauce rather more daintily as she recalls the crisis at the animation company DreamWorks. Just months after its initial public offering in autumn 2004, the company’s revenues and share price were plunging, and the US Securities and Exchange Commission had started an investigation. Saeed knew she had to grab control of the situation.

“You can end up with a runaway board where they sort of panic,” she says. “It’s very, very important as an adviser to provide them all the information they need, but also the reassurance that this is going to be dealt with.”

Her secret is to remember that corporate bigwigs are human beings like everyone else: “They bring insecurities and stress, and everybody’s worried about their reputation. You have to understand the stress that they’re going through and redouble your efforts to be the calming presence.”

She also tries to keep her clients out of trouble in other ways, reminding them to use email rather than texts to communicate about contentious business issues because so much ends up in litigation. Not only is it less invasive to have email collected from a server than to have to turn over a phone for screenshots, but

emoji-laden texts can look unprofessional to a judge or jury.

Ever discreet, Saeed rarely names the clients she advises, befriends and even joins for vacations. But Schultz has said publicly that he was so impressed by the way she took charge at the first DreamWorks board meeting he attended that he chased her down afterwards to ask her to work with Starbucks.

And when I called DreamWorks co-founder Jeffrey Katzenberg after the lunch date, he confirmed that he had relied on Saeed to coach him through “very charged, emotional and challenging” decisions, because he could count on her for empathy but also straight talk. “She has the subtlety of a shotgun. Both barrels coming at you at once, and I couldn’t be more appreciative of that,” Katzenberg said. “You only get the unvarnished truth from her.”

**Saeed has scrupulously avoided** a sculptured mound of what looks like mashed potatoes and barely touched her wine. She is saving room for dessert. “It’s always so disappointing when you come with a client and they say, no, no dessert. You just look at them and say, ‘You know we’re paying for a three-course menu,’” she says.

Just then the waiters present us with an extra treat not mentioned in the three-course menu. “They don’t always do this,” Saeed says. We dip tiny spoons into a nearly whole egg shell that has been refilled with chocolate mousse and caramel. (When I check the bill later, I find that the maitre d’ has comped us the \$38 signature sweet, with a note that the discount code is “SAEED”.)

It’s been two-and-a-half hours so far, and we have talked almost exclusively about work. When I ask what else is important to her, she initially deflects. “Many of my dear friends are people I work with,” she says. “Clients in particular have become my true friends.”

Pressed, Saeed admits she is trying to pick up playing the piano again after years of neglect and confesses to being a Spotify addict, despite being a “late adopter”. For exercise, she does yoga and walks in Central Park, near her Upper East Side apartment.

As we tuck into our official desserts, a dome of pistachio praline for Saeed and hazelnut cream in a tiny chocolate waffle cone for me, the conversation turns back to more comfortable territory.

“**Tactically, maybe the smart thing to do would be to take the risk, roll the dice. But the person you’re advising is going to live with the decision**

Has anything changed in the 30 years that Saeed has been advising chief executives? Yes, she says, because the law in Delaware, where most big US companies are incorporated, has evolved, particularly around the things companies can do to fend off hostile bids and activist challenges.

“They’ve made it less and less fun because they’ve taken away all the fun things that you could really do, the creative, tricky, clever defences,” she recalls with obvious nostalgia. Delaware judges now frown on “crown jewels” side deals that prevent takeovers by giving control over key assets to a third party, and they no longer let boards stagger director elections to make it hard to replace them.

That reminds me to ask about Elon Musk’s recent decision to reincorporate Tesla in Texas, after the Delaware courts threw out his \$56bn pay package. Saeed partly demurs, because Cravath defended the company in that case, but opines that Delaware is unlikely to lose its status as “the centre of gravity for

corporate law”.

The tiny US state draws much of its tax revenue from the business of regulating business, so it has a big stake in providing informed judges, clear statutes and predictable results for companies that incorporate there. “The legislature really seeks to protect its advantage . . . That’s been true for 50 years,” she says. “It’s a big investment that makes sense for them. But for a big state there’s a lot of other political forces.”

As the conversation winds down, I ask what Saeed thinks about the future of the legal profession. It’s a subject she ponders, as she starts her third term as Cravath’s presiding partner. The first woman to hold the role, she has overseen two gigantic shifts. In 2021, Cravath finally abandoned the strict “lockstep” system that paid partners purely on seniority and began rewarding its top performers. More recently, she led the firm’s move from its iconic pyramid-topped office tower in Hells Kitchen to Hudson Yards.

Eight years of managing have given Saeed much more patience with clients who fail to take her advice and overpay for acquisitions or fail to fully press their advantage in tough negotiations. “Tactically, maybe the smart thing to do would be to take the risk, roll the dice,” she says. “But the person you’re advising is going to own and live with the decision . . . [They] have to decide what, of all of the different moving parts, are important.”

Le Bernardin has largely emptied. As we prepare to walk out, Saeed tells me she is off to buy a necktie as a gift for a friend’s birthday. She also lets slip a comment that reflects how much of an ordeal it has been for this consummate behind-the-scenes professional to face personal questions for more than three hours: “It was fun . . . [but] let’s come back when we can really enjoy the food.”

*Brooke Masters is the FT’s US financial editor*

## Menu

### Le Bernardin

155 West 51st Street, New York, NY 10019

Three-course set menu x2 \$254:  
— artichoke panaché with black truffle emulsion  
— tuna tartare with sea urchin  
— halibut with red wine sauce  
— red snapper, asparagus and white wine sauce  
— pistachio praline  
— chocolate waffle cone  
Sparkling water \$10  
Glass of Pormenor (Portuguese white wine) \$29  
Glass of Chanson Pernand red burgundy \$36  
Egg filled with chocolate and caramel (complimentary)  
Fresh mint tea \$11  
Espresso \$11  
**Total (incl tax and tip) \$442.15**