

Technology Group Of The Year: Skadden

By **Madison Arnold**

Law360 (March 3, 2023, 2:02 PM EST) -- Skadden Arps Slate Meagher & Flom LLP handled some of the year's most headline-making deals, including the \$44 billion acquisition of Twitter by Elon Musk and the \$75 billion acquisition of Activision Blizzard by Microsoft Corp., earning the firm's technology group a spot among Law360's 2022 Technology Groups of the Year.

Attorneys in Skadden's technology group credits the firm's collaborative culture for being able to handle such big deals.

"We're a one-firm culture. So when we talk about our technology team, it's all of us here in the Bay Area who worked on the tech deals, but even more so than that, we have a great teamwork across offices, and we're able to successfully integrate teams from other offices, including D.C., which has a lot of folks in our antitrust and national security practices," said partner Sonia Nijjar. "Of course, technology is a global industry, and we're able to work seamlessly with our specialists across all offices to deliver that global capability for our clients."

That teamwork was essential in representing gaming company Activision Blizzard's \$75 billion acquisition by Microsoft, announced in January 2022. The deal required the technology group to work with the firm's regulatory attorneys in other offices, as well as antitrust, data privacy, intellectual property, labor, and employment and tax practices.

"From a client-facing perspective, the client's seeing just one unified team and a consistency of advice, [and it] is really a strength of the practice and the firm," said partner Kenton King. "It's really helpful to see what's incrementally different about the situation, and the entire team understand what's different about this particular situation and come up with creative solutions on how to address it. That I think is a real strength."

The complex deal had a whole host of challenges, including navigating "intense" negotiations, the firm said.

The move united the maker of Xbox video game consoles with the developer of games like Candy Crush, Call of Duty and Warcraft, and it added up to the largest video gaming industry acquisition deal in history, by far, according to data from Dealogic.



"Given the sheer size of the deal, we knew that there was going to be significant public and regulatory scrutiny on the deal," Nijjar said. "Everything we did on the deal was subject to a layer of regulatory scrutiny. We knew that there was going to be a ton of eyes on the deal, both from a regulatory perspective, and then also from a general public perspective, given that size. We had to think about legal concepts and analyzing the deal through this antitrust lens and sort of the general public scrutiny lens."

The team entered the year thinking that Activision Blizzard would be the matter most scrutinized by the public until the Elon Musk Twitter deal came along, Nijjar said. The firm managed the merger and acquisition efforts on this massive deal.

In April 2022, Tesla CEO and entrepreneur Musk announced he would buy the social media giant for \$54.20. The price represented a premium of 38% on Twitter's stock price on April 1, the day before Musk disclosed that he had acquired a 9% stake in the company.

Skadden's Mike Ringler said that what made representing Musk in the deal challenging was the complexity of the financing structure. It involved bank, bond and equity financing as well as margin loans and personal equity from Tesla, he said.

"Even in a normal market environment with a normal company, it would have been a complex undertaking," Ringler said. "I think what made it unique was the fact that on top of the challenges of completing a deal of that size and scale, you had all the publicity.

"Elon ... liked to communicate directly with the public, expressing his points of view rather freely, some of which can be controversial, some of which are not, but he's just a very transparent guy. And you had to take some of those public observations and their publicity they generated and layer it on top of the transaction, and it had implications for the transaction and, in particular, the financing as well as obviously, the underlying acquisition itself."

For the Skadden technology team, King said that the word to describe their year would be "challenging," but that that keeps the attorneys on the team motivated to tackle more in the future.

"I thought I'd seen everything there was to see. You do this long enough, and you see more things that you've never seen before and more challenges to overcome, so that's what keeps it interesting. And to be able to deliver on the goal for clients is one of the things that keeps us all motivated and this is a year where there were plenty of obstacles to overcome," King said.

—Additional reporting by Tom Zanki and Benjamin Horney. Editing by Peter Rozovsky.