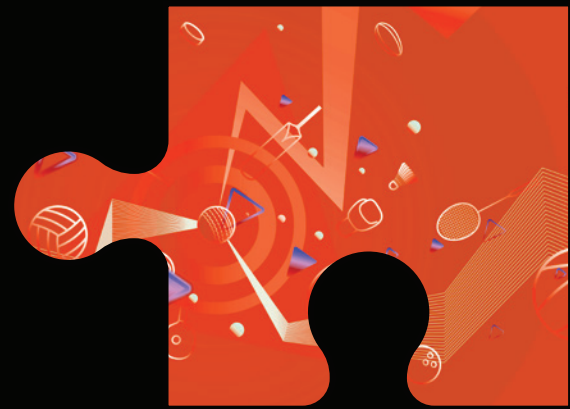


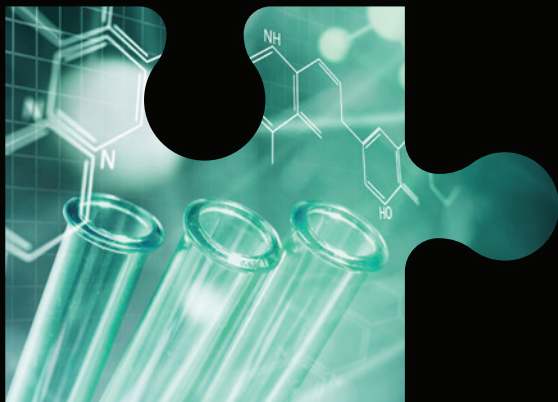
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MARCH 2024



THE 2024 DEALMAKERS OF THE YEAR



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KYLE SEIFRIED



SCOTT BARSHAY

PAUL, WEISS

By Andrew Maloney

It's not every day that two of the most-recognized sports and entertainment franchises on Earth join forces. Indeed, much like a quest to win a championship belt, creating a tag team of World Wrestling Entertainment and Ultimate Fighting Championship in the middle of 2023 required innovation, finesse, and around-the-clock commitment.

On the Latham side at least, Hamill said "well over 100" lawyers, working across specialties such as M&A, capital markets, tax, entertainment, technology transactions and litigation were involved in the deal, which also saw significant contributions and representation from Paul, Weiss, Rifkind, Wharton & Garrison (advising WWE) and Kirkland & Ellis (advising Vince McMahon, WWE's controlling stakeholder).

In broad terms, the deal required using an existing subsidiary asset – UFC, owned by Endeavor – to acquire a controlling interest in an existing public company through a merger. That required, among other things, a novel signature move: the creation of a structure called a double umbrella partnership C corporation (or "double Up-C"), which helped deliver significant tax benefits to Endeavor's equity owners. Hamill also devised the rules of TKO, the public company umbrella under which WWE and UFC were united, to balance the rights and requirements of Endeavor, WWE's independent directors, and McMahon. Endeavor ended up with a 51% stake while WWE stakeholders took 49%. The deal was announced April 3 and closed Sept. 12.

Hamill said for fans of the two marquee combat brands, not much will change. They'll still get to enjoy both brands as they operate under one umbrella. Dealmakers, though, may take interest in the logistics going forward.

"Every situation is different, whether by nature of the underlying business, global reach, controlling shareholders, the nature of the company that may be looking to transact with assets," Hamill said. However, the specific way Hamill and the other lawyers worked the WWE and UFC into one entity is "an attractive piece of technology."

"I do think this idea of using a subsidiary asset to merge with a public company and acquire control is attractive, not just for entertainment, but conglomerates globally," he said.

For Paul, Weiss' part, Kyle Seifried and Scott Barshay worked to negotiate key elements of the deal benefitting WWE shareholders and to structure the deal accordingly – a novel approach that, according to the firm, enabled formerly private subsidiary UFC to create a new public entity through the combination while also preserving a tax-favorable status.

"For both the WWE board and Endeavor, the economics matched up with their desire to provide the brand, the sport and the business with continued stewardship and opportunity to grow," said Seifried. "Critically important for our client WWE, the deal ensures that legacy WWE shareholders will continue to share in the upside of the transaction through the structure we implemented."