

Complex Financial Instruments Group Of The Year: Cahill Gordon

By Tom Zanki

Law360 (February 20, 2025, 4:02 PM EST) -- Cahill Gordon & Reindel LLP's expertise in leveraged finance helped it execute a bevy of high-impact deals in 2024 — including its representation of financial institutions that negotiated the blockbuster, \$8.4 billion merger of entertainment giants Paramount Global and Skydance Media — earning the firm a spot among the 2024 Law360 Complex Financial Instruments Groups of the Year.

In addition to the Paramount-Skydance deal, Cahill Gordon helped devise financial instruments that benefited the transportation industry, including the financing of a new private railroad in Florida, plus work that benefited one of Hollywood's top talent agencies and more.

Cahill Gordon's legal advice in the Paramount-Skydance merger assured that parties secured the financing needed to solidify the industry-reshaping deal, unveiled in July 2024.

The deal was structured so that a new entity, dubbed New Paramount, would survive the merger. It combined Paramount-owned CBS, MTV and Nickelodeon with Skydance, an emerging studio with co-production credits on Paramount's "Top Gun: Maverick."

"The Paramount deal was a very-high profile, closely watched M&A transaction, given the personalities involved and how close it was to Hollywood and the general media environment," said Cahill Gordon partner Ariel Goldman, who worked on the deal. "It got more attention than normal, but it was just a very complicated M&A structure."

Cahill Gordon examined leveraged loans and bonds tied to that deal, while also helping banks design a transaction that avoided change-of-control penalties. As the parties negotiated the merger, Cahill Gordon lawyers assured that some \$11 billion in debt held by the firm's clients would remain in place, Goldman said. Otherwise, such debt would need to be refinanced, creating a costlier and more complicated deal.

"We were able to greatly simplify the financing side of the transaction," Goldman said.

The firm's expertise also made its mark on the transportation industry. Cahill Gordon attorneys in May 2024 advised banks and private equity firms that provided financing to support construction of Brightline's new passenger railroad that runs from Miami to Orlando.



The sophisticated financing structure contained both tax-exempt and taxable elements, plus government, banks and hedge funds were involved in the deal. Cahill Gordon helped create a bespoke series of one-off loans that covered the project debt.

As train service began operating in fall 2023, one-off loans needed to be refinanced into bonds with longer maturities at lower rates that could be rolled into a more permanent structure. Cahill Gordon attorneys helped create a new \$700 million set of leveraged loans for financial institutions, which were subsequently syndicated to investors last May.

"We had myriad pieces of debt throughout the structure that were able to be consolidated, cleaned up and simplified in a way that will help that company operate going forward," Goldman said.

Attorneys from Cahill Gordon also advised banks that arranged an exchange of \$143 million worth of Term A loans for home-alarm company ADT Inc. in May 2024. That transaction involved an uncommon form of refinancing that exchanged Term A loans with new incremental Term B loans, which were designed to be interchangeable with recently repriced Term B loans held by ADT. The goal was to make it easier for banks to allocate the new incremental Term B loans on the syndicated market.

Cahill Gordon partner Stuart Downing said managing the loan exchange required "sequencing everything and getting the tax issues right to make that effective."

Downing also advised debt financing sources for Hollywood talent firm Creative Artists Agency, which raised more than \$2 billion in leveraged loans, enabling the company to reprice and refinance all of its term loan debt at favorable market conditions.

"They are a company where the name draws a lot of interest," Downing said of Creative Artists Agency. "Their financings have certainly gotten a bit bigger as they've grown. It's always a fun transaction to work on."

Cahill Gordon's identity centers on making the complex manageable. The firm estimates that about half of its lawyers are directly or indirectly involved in leveraged finance, including some 38 partners and 160 lawyers total, mostly working from New York City headquarters, plus Washington, D.C., and London.

"It is a foundational part of the culture of the firm," Goldman said. "It very much drives who we are, who our clients are, and where we think our core strength and profitability comes from."

Though it currently has no concrete plans for expansion, Cahill Gordon said it is eyeing growth. The firm has recently bolstered adjacent practices, including corporate restructuring and private credit.

"We are always actively looking for opportunities to grow in a very strategic and measured way," Downing said.

--Editing by Alyssa Miller.
