

MVP: Cleary's Matt Salerno

By Ryan Harroff

Law360 (October 20, 2023, 1:06 PM EDT) -- Matt Salerno of Cleary Gottlieb Steen & Hamilton LLP's private equity team guided the \$8.9 billion sale of Summit Health-CityMD to VillageMD and helped Advent International and Warburg Pincus with their \$4.25 billion acquisition of Baxter's biopharmaceutical business, just two of the major deals in the past year that earned him a spot among Law360's 2023 private equity MVPs.

His biggest accomplishment in the past year:

Salerno told Law360 that, when he thought back over the past year of transactions he has worked on and business moves he has advised his clients through, his work helping Summit Health-CityMD in its sale to the Walgreens primary practice company VillageMD stood out as a particularly substantial deal.

Organizing the \$8.9 billion sale required tackling a very complicated negotiation involving multiple parties beyond just his client and VillageMD, Salerno said, but he added that they still managed to go through the whole process from start to finish in less than six months. Salerno said that "financial markets were particularly challenging at the time," and he had to work with Summit Health-CityMD in considering several options for the right way to navigate the sale.

All of that had to be done while getting support for the sale from Walgreens, Cigna Corp. — another significant investor in VillageMD — and the doctors who Salerno said owned significant amounts of Summit Health-CityMD's equity and needed to be shown the benefits they could reap from the deal.

"With hundreds of shareholders in that transaction, we had to go around and hold town hall meetings and shareholder meetings and explain what was really a very, very complicated transaction," Salerno said. "You know, to people who don't do this for a living, we had to explain that in a way that was ... catering for them. We had to make it real and easy for them to understand, and also get their buy-in, right? Because we needed them to approve the transaction, which they did."

What motivates him:

Working with clients in private equity law is "a lot of fun," Salerno told Law360. He added that he enjoys getting to know his clients inside and out as well as serving as their "trusted adviser" for their more

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Matt Salerno
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complicated and interesting legal questions as they navigate their transaction goals. Tackling those difficult questions for his clients and "sorting through that puzzle for how you make the deal come together" keeps the work interesting and rewarding, according to Salerno.

"It is that process at the beginning of the deal, where you're just getting your arms around the transaction, figuring out how to structure it, potentially dealing with complicated cross-border issues, how to bridge value gaps," Salerno said.

Another interesting part of the work is putting oneself in the other side's shoes for any given transaction, Salerno added. He told Law360 that it can be helpful to investigate the same questions about the other side of a deal as he would ask his own client to help make a transaction go through smoothly.

"What makes the other party tick?" Salerno said. "What drives them? You figure out what's motivating them to do the deal, and the same thing for our clients. Then, you're getting on the phone or on Zoom with the other side and passing through negotiating those agreements. That's just a lot of fun."

His biggest challenge of the last year:

Handling the complex nuances of the private equity law landscape comes with a number of complicated issues to work through, according to Salerno. Among other things, he said that uncertain financing markets, shifting levels of commitment from different deal sponsors in each transaction and ever-changing regulatory decisions can keep attorneys like him on their toes.

All the constant shifts in the field can have a major impact on the timetable for any given deal, Salerno said. In particular, he noted that international transactions have been seeing an increased level of complexity lately in the face of different financing situations across different nations.

Salerno said that the United States has "one of the most flexible corporate law regimes around the world," but that in many countries there are much more strict legal requirements for things like internal reorganizations and dividend payments following a transaction which need to be accounted for when advising a client on a given deal, because those legal differences between borders can take a while to properly address.

"We've just seen an increasing proliferation of foreign direct investment regimes around the world, and of jurisdictions that are increasingly aggressive around antitrust enforcement," Salerno said. "Even when there are no substantive issues on those fronts, that always adds time."

Salerno also said that he does not view the shifting legal landscape in private equity or any of its constituent parts as obstacles to avoid but rather challenges to overcome on behalf of his clients. He noted that, in some cases, working across borders can also help make a transaction flow, such as when he helped Advent International and Warburg Pincus acquire BioPharma Solutions from Baxter International Inc. for \$4.25 billion earlier this year, where he said that the time difference between the United States and Germany allowed at least one set of attorneys to be working on the deal at basically any time of day.

His advice for junior attorneys:

Salerno said he could not think of anything he hadn't been told as a junior attorney entering into the private equity field, and that he was glad to have gotten good advice at the time. He added that if he were to tell rising lawyers anything, it would be to make sure that they were getting as much experience as possible.

Getting a lot of experience is not the same as getting good experience, though, he noted. According to Salerno, it is important to always be trying to learn something new from each deal one works on in order to develop and train important skills needed in private equity law.

"The more you do this, the better you get at it," Salerno said. "Don't turn hours for the sake of turning hours. You want to make sure that your hours are quality hours, that you're actually learning something with all of the work that you're doing. Don't be afraid to ask questions."

It's also important to make sure you can figure things out for yourself to a certain extent, Salerno added, and to make sure that one has gotten the most information they can as a background in order to have the most productive learning experience possible when they do go to one of their senior attorneys for their insight.

"It's best not to go to the client, it's best not to go to a partner or a senior lawyer and say, 'I don't get it,'" Salerno said. "Try to figure it out as much as you can, and then let's talk about it. Make sure you get a good explanation up front."

--As told to Ryan Harroff. Additional reporting by Elaine Briseño and Al Barbarino.

Law360's MVPs of the Year are attorneys who have distinguished themselves from their peers over the past year through high-stakes litigation, record-breaking deals, and complex global matters. A team of Law360 editors selected the 2023 MVP winners after reviewing more than 900 submissions.