

# THE AMERICAN LAWYER

An ALM Publication

americanlawyer.com

APRIL 2019

## 2019 DEALMAKERS OF THE YEAR



CARMEN NATALE/ALM

### Scott Barshay

Paul, Weiss, Rifkind, Wharton & Garrison

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Paul Weiss partner Scott Barshay has a maxim when advising companies on significant purchases: “Speed is your friend, and time is your enemy.”

That adage guided IBM’s \$34 billion purchase of open source software company Red Hat Inc. Announced in October 2018, it was the largest-ever acquisition of a software company, IBM’s biggest acquisition to date, and the third-largest ever in the technology sector.

The company was wary of three other reputed suitors for Red Hat. Consequently, only four weeks elapsed between the opening of negotiations and signing the all-cash agreement. The average time from offer to signing for announced cash deals over \$10 billion in 2018 was, in contrast, 21 weeks.

The prospect of leaks was also a concern, mandating small teams on both sides. And the firm also had to help IBM arrange \$20 billion in financing for the deal.

“There was a lot more to get done than usual, in a much shorter amount of time, with many fewer people,” Barshay says.

The key, he adds, was preparation: thinking through the process from the beginning and weighing all the potential variables. Long-term relationships also helped. Barshay has worked with IBM’s general counsel for a dozen years, and with the lawyers on the deal team for two decades.

“Being able to get the deal done quickly and get it done right is a testament to IBM’s deal-making prowess from both a legal and business standpoint,” Barshay concludes.

—Dan Packer