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2022 DEALMAKERS OF THE YEAR



**Catherine
Dargan**

**Michael
Riella**

Covington &
Burling

IN AN UNCERTAIN AND EVOLVING ANTITRUST regulatory environment, it took a quick, clean closing for Covington & Burling partners Catherine Dargan and Michael Riella to complete one of the largest biotech deals in 2021.

Covington's client, Merck, agreed to acquire Acceleron Pharma, an American clinical stage biopharmaceutical company, in an \$11.5 billion deal. The acquisition gave Merck access to Acceleron's rare-disease drug candidate sotatercept, which is in a late-stage study to treat pulmonary arterial hypertension, a type of high blood pressure that Merck expects to create a market in the billions later this decade.

"The goal is always to make sure that patients are the priority and in doing the acquisition they are able to help bring needed drugs to market," Dargan says. "I think the choices that were made were fundamental in terms of getting the deal done on time in the terms that were originally negotiated between the parties. It could have had a very different outcome, but I think that the decisions that were made, based on the work that was done, were very effective in getting it through."

In order to complete the deal, Dargan and Riella had to overcome a number of hurdles, including a very intricate set of collaboration agreements for the key products that Acceleron had with Bristol Myers Squibb, various leaks of the deal before closing, and several lawsuits from shareholders opposed to the deal.

The effort posed key questions to the attorneys, Riella says, including, "How do we structure the deal to make sure the deal goes through? Also, how do we get it done as quickly as we can, understanding the environment in which we're operating?"

Despite the setbacks, Dargan and Riella were able to move quickly between the time the deal was announced and its closing. Aside from one pull and refile from the Federal Trade Commission and some foreign filings, the entire process took four months. The deal closed on November 22.

"One of the fun moments of every deal like this is when the tender offer period closes and you're waiting to see if you've made it over the threshold to enable closing," Dargan says. "We really did feel like we often do when we're working with Merck that we were fighting the good fight."

—Jacob Polachek