

Sports & Betting Group Of The Year: Covington

By **David Steele**

Law360 (February 4, 2025, 4:03 PM EST) -- Covington & Burling LLP advised the National Football League as its owners approved private equity investment for the first time in league history, was co-counsel for the NFL when a \$4.7 billion jury verdict for subscribers in the Sunday Ticket antitrust trial was overturned by the judge, and advised the National Basketball Association on a \$76.9 billion media rights agreement, placing it among the 2024 Law360 Sports & Betting Groups of the Year.

A busy year on diverse tracks for Covington, which was named a Law360 Sports & Betting Group of the Year for the second straight year, was distinguished by two milestone developments for the NFL, with which the firm has had a relationship dating back to when the league selected then-Covington partner Paul Tagliabue as its commissioner in 1989.

Allowing private equity groups to buy into teams, after every other major sports league had permitted it and after a long deliberation and application of strict guidelines, was "probably the biggest change in the NFL rules to come down the pike in years," said Peter Zern, co-chair of Covington's sports practice.

"It was really very exciting, and it's been gratifying to see it all come together," he said. "It's a great group internally at the league that we've been working with, and a great group of us here that we've been working with. For us, it's really been a highlight of the year."

Part of the Covington team that helped complete the NFL's private equity plan, officially announced on Aug. 27, was of counsel Andrew Nightingale, who joined the firm in January 2024 and brought a long history and vast expertise in private equity and other nontraditional team ownership. Nightingale, a 2023 Sports & Betting Rising Star while at Proskauer Rose LLP, called the development of the new ownership rules a product of his own strengths, Zern's strengths as the sports group leader and the strengths of the other group members.

"It really was like a lawyer's dream," Nightingale said. "The NFL was very deliberative in how they went about the process. They took input from all the stakeholders. We had owner input, input from the league office, input from the funds themselves, the investment bankers who also helped on the transactions, and the lawyers. So it was a very strategic process, a lot of collaboration and deliberation."

"It was really, in addition to being groundbreaking, a lot of fun," he added.



In December, the Buffalo Bills and Miami Dolphins brought in some of the preapproved private equity investors, though Covington did not advise them in these deals.

"It's sort of the end of the beginning," Zern said. "There's a lot more to come. We are definitely still just in the first quarter of private equity involvement with the professional sports leagues, and the NFL in particular."

The NFL's victory in its antitrust litigation fight with subscribers to its Sunday Ticket service last summer was more stunning than groundbreaking. The roller coaster of events went from the low of being hit with a jury award of \$4.7 billion after the trial in Los Angeles federal court in June, to the high of the judge overturning the verdict in August, to the extra height of the judge granting judgment in favor of the NFL on all counts later in August.

Covington was co-counsel for the NFL along with Wilkinson Stekloff LLP. The subscribers have appealed the decisions to the Ninth Circuit.

Zern attributed that success to the strength of Covington in two relevant areas of the case: litigation and antitrust law. He said that having so much depth in so many areas pays off at times like that, even after the NFL suffered the initial jury defeat.

"To be candid about it, I think it gives us a competitive edge. We see things within the industry that almost no other firms see across the entirety of the industry," Zern said. "I think that's a meaningful benefit to all of our clients when we are doing work for them on their given issues — that we have a deeper and stronger understanding of the issues facing the industry across the board."

"Some of our peer firms might be strong in one or two areas, but probably aren't strong across the board," he added. With Covington, "it's just an incredibly robust offering across almost every facet of the industry. I just don't think other firms have that. This is where it gets to be an incredibly fun platform to be a part of."

Covington has been an industry leader in sports representation for teams, leagues, organizations and other entities since 1960, and now has more than 80 attorneys in its sports group based in Washington, New York, Los Angeles, London and elsewhere nationally and internationally.

The diversity of strengths were reflected in the other significant transactions Covington was involved in during the year — including more work for the NFL in October, advising it when the Las Vegas Raiders sold a limited partnership to seven-time Super Bowl-winning quarterback Tom Brady.

Besides the media rights deal for the NBA, which brought in Amazon Prime as a streaming partner, Covington also helped negotiate the U.S. Tennis Association's rights deal with ESPN for the U.S. Open and other tournaments in January; local broadcast deals for three Major League Baseball teams in March after regional carrier Diamond Sports Group declared bankruptcy; and an extension of ESPN's agreement with the NCAA in August.

Covington also advised on the April sale of the National Hockey League's Arizona Coyotes to ownership in Salt Lake City, moving the team there to play as the Utah Hockey Club this season.

"I do think it's another really well-rounded year, when you look at sort of the full body of work," Zern

said. "To me, that's a great hallmark of the way this place works and operates."

--Additional reporting by Craig Clough, Gina Kim, Hailey Konnath and Elaine Briseño. Editing by Adam LoBelia.

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