

Sports and Betting Group Of The Year: Covington

By **Madison Arnold**

Law360 (February 20, 2024, 3:51 PM EST) -- With accomplishments such as advising the new Phoenix Suns owner in the \$4 billion acquisition of the team and leading a joint investigation finding abuse, harassment and bullying of players in the National Women's Soccer League, attorneys with Covington & Burling LLP earned themselves a place among Law360's 2023 Sports and Betting Groups of the Year.

The group has a large presence within Covington, with a headcount of about 80 attorneys across prominent cities such as Washington, D.C., New York and Los Angeles. That depth allows the practice group to handle a broad scope of client matters, Peter Zern, co-chair of the sports industry group, said in a recent interview with Law360.

"One of the things that we're especially proud of is the fact that we really do cover the full gamut of the industry," Zern said. "We're one of the few firms that have been in that space for over 50 years at this point, with a truly dedicated industry-facing practice group that really covers all issues that come in front of any of our sports clients."

One of the most prominent deals the group helped with last year was Mat Ishbia's acquisition of the NBA's Phoenix Suns, the WNBA's Phoenix Mercury and other related assets. Ishbia is the chairman and CEO of Michigan-based mortgage lender United Wholesale Mortgage.

Ishbia acquired 100% of the equity interests held by the Suns' controlling owner, Robert Sarver, and other limited partners. Covington's attorneys were able to negotiate a "put-call arrangement" that allows Ishbia to acquire additional equity interests in the franchise after the sales closing.

"It was a great opportunity to help Mat Ishbia, who I think is pretty upfront about the fact that he's dreamed about owning an NBA team for years, accomplish that goal," Zern said. "It's incredibly gratifying to see somebody who's worked as hard as Mat has worked make everything come to fruition in terms of accomplishing one of the goals that he's had probably since childhood."

The sale was approved by the NBA's board of governors in February 2023.

Covington attorneys also led a comprehensive, 14-month investigation into abuse and misconduct in the National Women's Soccer League since its inception, the firm said. The investigation was commissioned by the league and was conducted along with its players association.



In all, the investigative team conducted about 200 interviews and reviewed 200,000 documents. A 125-page report was written by Covington at the end with additional input from counsel for the union. The report found a "deep-seated" culture across the league that did not empower players to report complaints and blurred the boundaries between players and coaches, Covington said.

"What's been so exciting about the work that we've been fortunate to do is that it has included both the core type of sports work that we've done for decades: corporate work, litigation and investigations, tax work. But it's also really branched out into all of these other practice areas that are touching the sports industry now. There's really no such thing as sports law anymore. It's now sports clients and sports industry participants having to face legal issues in gambling law and economic sanctions and privacy and consumer protection, and employment," said Jeremy Spector, co-chair of the group.

In one such instance, the NFL hired Covington as lead counsel to handle an arbitration with Junior Galette, who in August 2020 alleged that the league and its teams had colluded in a racist blackballing attempt, the firm said. In August 2021, an arbitrator granted the NFL's motion for summary judgment, finding no evidence of collusion.

Ultimately, Galette filed a pro se complaint in Florida federal court alleging claims related to the Civil Rights Act of 1866 and various state constitutions. In March, a federal judge permanently tossed the suit.

On the sports betting side of the practice group, Covington attorneys served as lead counsel, defending XPoint in a patent infringement suit brought by competitor GeoComply, which claimed control over the entire geolocation market for online sports betting and gaming, the firm said.

Covington attorneys were able to invalidate GeoComply's patent in the "bet the company" case in February 2023 and helped open the online sports-betting market as a result.

"What's been fun for the last year for us is to take all of those different legal practice areas and — in a very coordinated, multidisciplinary, business-oriented way, instead of just a legal-oriented way — apply those to the questions our clients are bringing to us," Spector said.

--Editing by Karin Roberts.