

Simpson Thacher Represents Financing Providers, Led by J.P. Morgan, in Sinclair's Acquisition of 21 Regional Sports Networks From Disney

08.27.19



The Firm represented the financing providers, led by J.P. Morgan, in connection with approximately \$10 billion of financing transactions for the completion of Sinclair Broadcast Group, Inc.'s (NASDAQ: SBGI) ("Sinclair") previously announced acquisition (the "RSN Acquisition") of 21 regional sports networks (the "RSNs") and Fox College Sports from The Walt Disney Company (NYSE: DIS) for \$9.6 billion. The RSNs were acquired via Diamond Sports Group, LLC ("DSG"), a newly formed indirect subsidiary of Sinclair.

The Firm advised:

- the initial purchasers in connection with the Rule 144A/Regulation S offering and issuance by DSG and Diamond Sports Finance Company of \$3.05 billion aggregate principal amount of 5.375% Senior Secured Notes due 2026 and \$1.825 billion aggregate principal amount of 6.625% Senior Notes due 2027;
- the lenders in connection with DSG's \$3.3 billion senior secured term loan B facility and a \$650 million revolving credit facility, as well as a \$700 million incremental term loan B facility for Sinclair Television Group, Inc. ("STG") to fund a portion of Sinclair's cash equity contribution and a \$650 million revolving credit facility for STG, which was used in part to refinance its existing revolving credit facility;
- an affiliate of J.P. Morgan in connection with the issuance by a parent company of DSG of \$1.025 billion aggregate liquidation preference of preferred units. All of the proceeds of the financing transactions were used to fund the purchase price of the RSN Acquisition, including the payment of related fees and expenses.

Based in Hunt Valley, Maryland, Sinclair is one of the largest and most diversified television broadcasting companies in the country, a local news provider and a producer of live sports content. The RSN portfolio is the largest collection of regional sports networks in the marketplace today; its footprint includes exclusive local rights to 42 professional sports teams consisting of 14 Major League Baseball teams, 16 National Basketball Association teams and 12 National Hockey League teams.

The Simpson Thacher team for the transactions included Justin Lungstrum, Edward Bersuder, and Michael Brennan (Banking and Credit); John C. Ericson, Lesley Peng, Tony Rim, Lisa Zhang, Davis Mahon, Albi Kocibelli and Ben Carson (Capital Markets); Sergio Torres and Abigail Hopper (Tax); Jake Phillips (ECEB); Melanie Jolson (Intellectual Property); and Jon Pall (Collateral). Adam Moss, Ben Heriaud and Camilla Johnson also provided valuable assistance.

Team and Contacts

Justin Lungstrum

Partner

jlungstrum@stblaw.com

+1-212-455-2755

Lesley Peng

Partner

lpeng@stblaw.com

+1-212-455-2202

Albi Kocibelli

Associate

albi.kocibelli@stblaw.com

+1-212-455-7001

Jonathan Pall

Partner

jpall@stblaw.com

+1-212-455-2008

Benjamin Heriaud

Partner

benjamin.heriaud@stblaw.com

+1-212-455-2361

John Ericson

Partner

jericson@stblaw.com

+1-212-455-3520

Tony Rim

Partner

trim@stblaw.com

+1-212-455-7332

T. Carson

Associate

ben.carson@stblaw.com

+1-212-455-3578

Adam Moss

Partner

adam.moss@stblaw.com

+1-212-455-2210

