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Dealmakers of the Year

From private equity's high point to securitization's collapse, dealmaking has become big news.

Read all about it.



JOSEPH GROMACKI Jenner & Block

AFTER BEGINNING 2007 AT A FULL BOIL, dealmaking ended the year ice-cold. The dividing line, sharply drawn, occurred almost exactly at midyear. Debt markets dried up, seemingly overnight. Securitization shops laid off associates, after complaining for years of “too few bodies.” Private equity work simply stopped, while the best strategic M&A action was found overseas. And in the clearest sign of hard times ahead, bankruptcy lawyers mobilized.

Not since 2002 has the business environment, as reflected in our Corporate Scorecard, been so grim. It is difficult enough to close a headline-grabbing deal while the economy is flush. In tough times, the challenge is even greater. Rescuing deals in distress takes creative solutions.

In the following pages, we present our dealmakers of the year, beginning with four sets of lawyers from the private equity and M&A worlds who exemplified the changing face of dealmaking last year. They are followed by eight other lawyers who played pivotal roles in some of 2007's biggest, most creative, and most noteworthy transactions.

PHOTOGRAPH BY PAUL GODWIN



Digital media may be the wave of the future. But Sam Zell found plenty to love in paper and ink anyway.

Press Run

"I THINK IT WOULD BE FUN to run a newspaper," young Charles Foster Kane wrote to his guardian in 1941's *Citizen Kane*. And even in a world of podcasts, 24-hour cable news, and the Drudge Report, the sentiment lingers.

How else to explain Chicago real estate investor Sam Zell's decision, after selling his Equity Office Properties Trust at the height of the boom in real estate investment trusts, to turn his attention to his hometown newspaper? Zell closed the \$38 billion Equity Office deal in February 2007; just two months later he announced the \$7.4 billion privatization of Tribune Company, the troubled publisher of the *Chicago Tribune* and *Los Angeles Times*, among other media holdings.

And in August, Rupert Murdoch's News Corporation announced that it would acquire Dow Jones & Company, Inc., publisher of *The Wall Street Journal*, in a deal valued at \$5.6 billion.

Unlike Kane, Zell and Murdoch are shrewd businessmen. The complex nature of the Tribune acquisition, in particular, received plenty of attention. The buyout—handled by Jenner & Block's Joseph Gromacki for Zell's Equity Group Investments, L.L.C., and Sidley Austin's Thomas Cole for Tribune—made an employee stock ownership plan, not Equity Group Investments, the main investor in Tribune. (In the Equity Office buyout, Zell was represented by a Sidley team headed by Cole.)

The unusual structure of the Tribune privatization allowed Zell to put only \$300 million of his own money into the transaction. It also lets Tribune's new owner take advantage of federal tax breaks for employee stock plans. After all, running a newspaper might be fun, but structuring the best possible deal is just good business.

—BRIAN BAXTER