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DEALMAKERS OF THE YEAR

Twenty-five transactions lawyers who had an outsize influence in 2008

EVERYONE KNEW IT WAS A TERRIBLE, horrible, no-good, very bad year. Even before Lehman Brothers capsized on the morning of September 15—setting off a toxic chain reaction in the credit markets—relatively few major deals were getting done. But after the Lehman shock, things went from the merely awful to the biblically bad.

But even—or perhaps especially—in the most challenging environments, a cadre of lawyers rose to the occasion. As has been our custom since 1999, we name a group of them Dealmakers of the Year. This time we do it a little differently, naming more, including many who were involved in deals that were really pieces of public policy making, and, for the first time, ranking them. Our order rests on the import of the deals themselves, the role of the lawyering, and the degree of difficulty involved.

Together these dealmakers are an interesting mix. Some were busy getting deals that faced financing, regulatory, or litigation hurdles to the finish line. Others were even busier laying the foundation for the unprecedented run of bailouts, workouts, and rescue deals that have dominated the post-Lehman financial landscape.

This list is more Wall Street–centric than in past years. Generally, the lawyers are older, and the overwhelming majority are men. A few stood apart for the sheer number of important assignments they personally handled—prompting us to wonder whether they ever slept, or whether they had secret identical twins hidden in their corner offices. Others got our nod because of a matter's unique difficulties or national impact.

There were a few common themes. Lawyers whose work transcended a single practice area rose to the top at a time when M&A, bankruptcy, and capital markets have converged in ugly new ways. And with the federal government playing a pivotal role in economic decisions, the real power brokers could be judged by the number of cell phone numbers of top regulators they had on speed-dial.

In the end, there was no substitute for years of experience. The complicated debt-and-equity hybrid financings that lawyers dreamed up to save Fannie Mae and Freddie Mac, AIG, and Citigroup, for example, were so complicated that it took investors days to understand and digest the deals.

Clients lavished descriptions like these on their top lawyers: "brilliant," "legal rocket scientists," "unsung heroes." But when we spoke to our dealmakers, what struck us was their relative modesty. Like deal toys and self-congratulatory rivers of champagne, boasting has become a thing of the past. Some lawyers told us that what would stay with them the longest were the anguished faces of their bank or insurance executive clients upon realizing that their net worth was probably gone for good. Now some of these clients may be facing criminal investigations.

There was the sense that history was being made, and that they had been given a hand in it. In the words of one senior lawyer last October: "I've been training my entire career for the work I've been called upon to do these past few weeks."

—Julie Triedman

Illustration By Phil Wrigglesworth

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Debevoise & Plimpton

Verizon Wireless's Alltel acquisition

GLOBAL MERGER ACTIVITY WAS ALREADY slowing last spring, but not for Jeffrey Rosen. In mid-May, Rosen had just finished advising The Carlyle Group on its agreement to buy a majority stake in Booz Allen Hamilton Inc.'s government consulting business for $2.5 billion when he received a call from Verizon Wireless Inc. on a potential bid for regional cell phone carrier Alltel Corporation. Rosen, the cohead of Debevoise's M&A practice, had already worked on a couple of other big deals on behalf of The Rank Group plc and International Paper Corporation. "I kept thinking, 'Where is this M&A slowdown?' " he says.

Verizon Wireless had been eyeing Alltel for some time, and last May it spotted a rare window to act. A group of banks held more than $20 billion of the debt that TPG Capital and Goldman Sachs Capital Partners had used to finance a $27.5 billion buyout of Alltel the year before. The banks had been unable to resell that debt, but starting on May 16, 2008, they had six months to convert a portion of the debt into bonds that could only be repurchased or retired at a high price. Verizon wanted to negotiate an acquisition before that conversion happened.

When the deal took flight, though, Rosen was stuck on the runway—literally. While sitting on the runway at LaGuardia Airport due to weather delays on the afternoon of June 4, Rosen learned that Verizon had struck a basic deal on key terms. He convinced the flight crew to let him and other passengers off the plane ("I made a nuisance of myself," he says) and headed to Debevoise's office.

He and a crew of a dozen Debevoise lawyers spent the next 18 hours finalizing a merger agreement that included an option for Verizon to delay the closing of the deal for any reason for up to four months. This was intended to give Verizon flexibility in the face of uncertain financial markets.

In the rush to complete a deal, Rosen and others resorted to marking up some bank documents in shorthand. "It was not one of the prettier pile of documents," Rosen admits. Nonetheless, Verizon was able to announce the $28.1 billion acquisition June 5. And not too long after, Rosen was able to get some much-needed rest. —Amy Kolz