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## DEALMAKERS OF THE YEAR

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

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George Bason, Jr.

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**Marshall Huebner**  
**Davis Polk & Wardwell**  
AIG bailout



**MARSHALL HUEBNER, COHEAD OF DAVIS POLK'S** restructuring group, has represented a long list of corporate clients in high-stakes, death-throes bankruptcies or restructurings, including Delta Air Lines, Inc.; Adelphia Communications Corporation; and Enron Corp. But last fall Huebner changed sides—trading longtime blue-chip client JPMorgan Chase & Co. for an even bigger client: the government of the United States.

Of course, Huebner had JPMorgan's blessing. Indeed, he was in the New York Federal Reserve building, representing JPMorgan Chase, when the request came. "It was pretty wild," says Huebner. "JPMorgan released us as counsel in about one hour, [and minutes later] "I literally went upstairs with our new clients"—the Federal Reserve Bank of New York and the U.S. Department of the Treasury. The government had turned to Huebner to lead the \$152.5 billion rescue of insurance giant American International Group, Inc.

Before morphing into a G-lawyer, Huebner had represented JPMorgan Chase in its attempt to complete a private rescue of AIG in September. But soon after taking on that assignment, it became apparent that AIG needed more cash than the private markets could muster. That's when the big guns, including then-Treasury secretary Henry Paulson, Jr., and then-New York Federal Reserve president Timothy Geithner, turned to Huebner.

Huebner says that leading the AIG rescue was heady stuff. Not only was the size of the rescue involved unprecedented (it was the largest amount of government financing extended to a corporate borrower to that date), but the structure was "enormously complicated," he says, involving "dozens of loan agreements and indentures."

The real surprise on this deal was psychological. "I've never before represented the government," Huebner says. "I am actually representing the American people, whose money I am helping protect. It is a moving experience."

—VIVIA CHEN

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**George Bason, Jr.**  
**Davis Polk & Wardwell**  
Citigroup bailout



**BY WINTER, ACCORDING TO *THE WALL STREET JOURNAL*,** former federal officials were calling Citigroup Inc. “the Death Star.” But last fall, it was simply a banking giant in desperate need of a government rescue. Saving the bank, at least temporarily, became the task of George “Gar” Bason, Jr., the head of mergers and acquisitions at Davis Polk. Over a single grueling weekend last November, right after Citigroup had lost half of its value in the stock market, Bason worked out a deal involving the U.S. Department of the Treasury, the Federal Deposit Insurance Corporation, the New York Federal Reserve, and Citi, the nation’s largest bank.

Though the magnitude and novelty of the bailout captured the headlines (the plan calls for the U.S. government to guarantee \$306 billion in Citigroup’s loans and securities, including a \$20 billion direct investment in the bank), Bason says that what made the deal truly complex was that Citigroup was caught trying to serve three different government masters. “Treasury, the FDIC, and the Fed looked at the issues from different perspectives,” says Bason. “There were different layers of loss to each organization.” Ultimately, Citigroup agreed to be responsible for the first \$29 billion of losses stemming from its portfolio of real estate loans. The bank and the federal government also agreed to split the remaining losses (Citigroup would be responsible for 10 percent, the government for the rest), with the Treasury, FDIC, and Federal Reserve kicking in different amounts to cover losses.

But Bason hardly had time to bask in the glory of that historic bailout announcement. Almost immediately, he and his team worked on the complicated details of the plan, including selling off the majority share of Citi’s Smith Barney brokerage unit to Morgan Stanley, a longtime Davis Polk client.

Having completed one complex, high-profile bailout, does Bason see more bailout work in his future? “We were lucky to be involved in this major crisis,” he says. “But I hope there aren’t many more of them to do.”

—VIVIA CHEN

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### METHODOLOGY

**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

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