

Q&A with Hughes Hubbard's Kenneth Lefkowitz



Law360, New York — Kenneth Lefkowitz is a partner at Hughes Hubbard & Reed LLP in New York, where he is the co-chair of the corporate department and mergers and acquisitions group and is a member of the executive committee, the firm's highest governing body. His corporate practice includes the representation of domestic and international corporations in negotiated mergers, acquisitions and dispositions; hostile takeovers, proxy fights and takeover defenses; going private transactions; joint ventures; and other business combinations.

Lefkowitz's capital markets practice includes U.S. Securities and Exchange Commission-related issues and debt and equity financing transactions (public and private). He also represents boards of directors and their special committees in strategic situations and private-equity clients.

Q: What attracted you to your practice area?

A: What attracted me was the wide variety of things that a transactional lawyer does. Every day involves so many different legal disciplines: corporate law, securities law, environmental law, tax law, real estate law, IP, etc. It combines legal aspects with business aspects and you don't have to do a lot of legal research. It is also exciting to be able to read about your accomplishments and the deals that you work on in the business section and sometimes on the front page of *The Wall Street Journal* or *The New York Times*.

Q: What is the most challenging deal you have worked on and why?

A: Probably the most challenging deal I have worked on was Cablevision's recent acquisition of Newsday. It was an incredibly complicated deal, which from

the beginning to end, was completed in 16 days. It involved an asset purchase of a newspaper, a joint venture between Tribune and Cablevision, real estate leases and options to acquire real estate, and transactional IP. We had 20-odd lawyers coordinating seamlessly with the client to get the deal done in so short a time. In the middle of the deal, while we were waiting for Tribune's response to documents, I spent a weekend in Las Vegas for my 30th elementary school reunion. Albeit, I did have to spend a fair part of the weekend negotiating poolside on my cell phone.

Q: What are some of the most challenging legal problems currently facing clients in your practice area?

A: I think the biggest issue on the buyer's side of an M&A deal is to make sure that the valuations you are paying reflect the economy of today. It is hard to determine

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the correct valuations and, in particular, sellers have not yet come to terms with the new reality of how much their business is worth. I think the other issue you have in larger transactions is obtaining financing. The major leveraged financing markets are not yet really open for business on large-scale M&A deals.

Q: Where do you see the next wave of activity in your practice area coming from?

A: I think that as the economy improves, there is a lot of money that is on the sideline, and you will see a lot of dealmaking. You have already seen a lot of strategic investments by companies who have seen opportunities and used their own money without having to get outside financing. But as the economy improves, you are going to see more and more M&A-deal work coming back with the financing.

Q: Outside your own firm, name one lawyer who has impressed you and tell us why.

A: Dan O'Donnell, who is senior partner at Dechert (LLP) and has run their private equity group for a long time. Dan is a very practical lawyer and I've been across the table from him on four or five deals in the

last six or seven years, more than any other single individual. I think he cuts to the chase. He is a smart guy, not a game player and he knows how to get a deal done. His word is his bond, so you know you can rely on what he says.

Q: What advice would you give to a young lawyer interested in getting into your practice area?

A: I would advise two things. In law school, read *The Wall Street Journal* every day. For an M&A lawyer it is the Bible. I think you learn more about business and deals there than anything you could learn in law school. My other suggestion would be to take an accounting for lawyers course because a lot of what we do on the corporate M&A side depends on having a good understanding of financial statements. It is 100 times more important than your torts, your property, civil procedure or any other typical law school courses. ■