



PERELLA SEES BOOM IN RESTRUCTURING WORK

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NEW YORK (Reuters)

Perella Weinberg Partners, a boutique merger advisory firm, is getting a flood of calls from companies seeking help with financial restructuring, a business that is poised to take off as the economy weakens, Chief Executive Joseph Perella told Reuters on Tuesday.

"The level of activity is intensifying as we speak," Perella said in New York at the Reuters Global Finance Summit. "And it has intensified, I'd say, rather dramatically in the past month."

Perella, a pioneer of the mergers and acquisitions business since the 1970s, left Morgan Stanley in 2005 and a year later co-founded his own boutique advisory firm, Perella Weinberg Partners. The

firm dispenses M&A advice but also counsels companies in distress or those in bankruptcy.

So while the two-year-old credit crunch has slowed Wall Street's M&A activity to a crawl, restructuring is taking off.

"We were always busy in that area, but it seems the incoming flow of inquiries, from companies that have not yet appeared in the radar screen, is going up -- very dramatically, I would say, over the past two weeks."

The reason for that, Perella said, is that more companies are starting to feel the "bite" of a recession as sales plunge. During a recent trip to Europe, Perella said, he learned that new car registrations are

down throughout the eurozone and in the UK.

"The recession is biting," he said, and it's not about to get better soon.

"I think it will get much worse ... The unemployment rate is just starting to go up now," he said. "All the people who are going to be out of work, how are they going to be able to pay their mortgage."

Perella continued, "You're going to have the housing problem intensify beyond whatever has occurred, because of the terms of all the people induced to own their own American dream and couldn't afford it."

(Editing by Phil Berlowitz)