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By Joseph A. Giannone | Reuters.com

# Perella sees opportunities in hiring

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NEW YORK (Reuters) — Wall Street's meltdown last year continues to yield hiring opportunities for small advisory firms, veteran dealmaker Joseph Perella said on Monday.

Perella Weinberg Partners has grown steadily to 275 people since getting started in June 2006, and managed to recruit its inaugural partners when markets were still booming. Still, the demise of firms like Bear Stearns and Lehman Brothers, and hits suffered by other firms, has encouraged more bankers to make the leap to boutique firms.

"The fact that there has been a huge reduction in at least the number of firms and capacities does present an opportunity," Perella said at the Reuters Global Finance Summit in New York. "And then there are some cases where the equity values of the firms are challenged."

Perella, who helped pioneer the mergers and acquisitions business for First Boston in the early 1970s, observed that the big soup-to-nuts securities firms have slashed thousands of employees in recent years.

The value of the big banks' stocks also fell, wiping out fortunes that had been stored away in the equity of their employers.

"If a person had built up five years of equity awards ... all that wealth that he thought he had, he doesn't," he said.

Ultimately, Perella said, investment bankers choose to work for smaller firms or partnerships because they get to spend more time advising companies and less dealing with layers of management.

"You have the gumption to get out of the mothership, where they have event planning staff and dining rooms with china," he said, "to a place where you drink coffee in paper cups and you cook your own food."

Perella, who decamped Morgan Stanley as a vice chairman during the bank's power struggles of 2005, saw the chance to spend more time as counselor to corporate chiefs.

"I thought it was a great time to try and fill that vacuum," he said. "If there is anything that's happened in the last two years that should be crystal clear, it's that there was a loss of confidence, there was a huge vacuum of trust."

Boutiques are hardly a new phenomenon, Perella said, looking back to the Rothschilds hundreds of years ago and to more recent launches like Donaldson Lufkin & Jenrette in the 1960s.

Also on that list is Wasserstein Perella & Co, an advisory firm launched in 1988 when Perella and longtime partner Bruce Wasserstein left First Boston.

The difference this time around, Perella said, was he made sure from the outset to build a firm that was more than just M&A advice.

"My guess is that if you look at M&A over this two-year period, it's probably down 70 percent. What went up during that period of time was restructuring," he said. "What I learned from (the Wasserstein Perella) experience was, OK, we can start a business, but we need to have the restructuring component."

Perella Weinberg also has an asset management business with $5.2 billion under management, the product of some home-grown funds and acquisitions of firms like distressed debt investor Xerion Capital Partners.

(Editing by Phil Berlowitz)