

BANKING + CAPITAL MARKETS

Perella Weinberg's Andrew Bednar Drives Stock Exchange Megadeals

A founding partner of the boutique advisory firm, Bednar represented Deutsche Börse on its pending \$30 billion merger with LSE.

By David Rothnie



Andrew Bednar admits that it would be tough to enjoy his work if he didn't like his clients. Bednar, who joined Perella Weinberg Partners as a founding partner a decade ago, has spent the past six years advising the world's biggest stock exchanges on an unprecedented wave of consolidation that culminated in March, when he served as lead banker to Deutsche Börse Group on its planned \$30 billion tie-up with the London Stock Exchange. "My clients become my friends," New York-based Bednar says.

"They have to be; otherwise it would be hard to make the kind of sacrifices required to get deals done."

Perella Weinberg ranked seventh worldwide among boutique advisers last year, according to Dealogic, working on 27 deals with a collective value of \$81.4 billion, down from first place in 2014, when it advised on 24 transactions worth a combined \$79.6 billion.

Bednar didn't take the traditional route to investment banking. Born in New Jersey, he earned a BS in biology and an MBA from Cornell University

and a doctor of law degree from Columbia University. While he was in business school, a professor helped him to find a summer internship at the National Bank of Hungary's Budapest office in 1990, just after the Berlin Wall had come down. For Bednar, who is of Hungarian ancestry, that trip resulted in the launch of a business with two friends: For the next few years, he co-ran the New York Bagel Co., selling sandwiches with names like the Harley Bagelson to Budapest residents.

In 1994, Bednar, who calls that venture a "colossal economic failure but a priceless experience," signed on as an attorney at law firm Cravath, Swaine & Moore in New York. One of his clients was Salomon Brothers, where he took a job as a vice president in the mergers and acquisitions department in 1996. Two years later he moved to Goldman Sachs Group in the same role after getting to know the team on a transaction.

"It was never part of a grand plan to become a banker," recalls Bednar, 48. "I enjoyed meeting people, and opportunities arose from that. I joined just as a big M&A cycle was starting."

He earned a promotion to managing director at Goldman in 2002 after advising Phillips Petroleum Co. on its \$15 billion merger with Conoco the previous year and U.S. oil and gas producer Atlantic Richfield Co. (ARCO) on its \$26.8 billion sale to BP Amoco in 1999.

In 2005, Banc of America Securities approached him to head its U.S. M&A division. He jumped at the chance, but soon another opportunity came along. At Goldman, Bednar had worked closely with one of the firm's best-known partners, Peter Weinberg, whom he regarded as a role model and mentor. In early 2006, Weinberg called Bednar with a proposal: With Joseph Perella and Terry Meguid, former Morgan Stanley bankers, he was planning to launch an independent M&A, restructuring advisory and asset management firm. "I wasn't looking to leave at the time, but it appealed to my entrepreneurial side," Bednar says.

Perella Weinberg launched in 2006 with offices in London and New York. When the global financial

crisis hit two years later, the firm benefited as companies turned to independent firms for counsel. "We didn't anticipate the crack that emerged in the system, but as advisory-only bankers we'd noted the rise of conflicts and the need for independent advice alongside the services that big banks provide," explains Bednar, a father of three who likes to recharge by spending time with his family and close friends, skiing, fishing and eating. "The crisis accelerated client demand."

Bednar's work with Frankfurt-based Deutsche Börse has helped Perella Weinberg off to a strong start in 2016, and he knows the exchange and the sector well. In 2011 he advised longtime client NYSE Euronext on its \$17 billion attempted merger with Deutsche Börse; after the European Commission blocked the deal on the grounds that it would create a quasimonopoly in the region's derivatives trade, he represented NYSE Euronext on its \$11 billion sale to Atlanta-based IntercontinentalExchange in 2012.

"As a trusted adviser and partner for my entire tenure at the NYSE, Andrew sought to understand where we were as a company and what we were trying to achieve, which positioned him to help us co-author the optimal strategy to pursue," says Duncan Niederauer, who served as CEO of NYSE Euronext from 2007 until 2014. "As we worked our way through small deals, a failed deal and, ultimately, a successful merger, Andrew's commitment never wavered."

Besides counseling Deutsche Börse on the planned union with LSE, in March he advised it on the sale of International Securities Exchange, a New York-headquartered operator of three electronic options exchanges, to the Nasdaq Stock Market for \$1.1 billion.

"The exchange sector has been transformed over the past decade as technology and data have become crucial and the business of exchanges has moved far beyond matching buyers and sellers," says Bednar, who believes core-exchange mergers have peaked. "The market infrastructure players will continue to acquire more data companies, but the big regional consolidation plays have largely been done." •