

THE TALENT

Dealmaker of the Week: Martha McGarry of Skadden, Arps

Posted by Matt Straquadine

The life of an Am Law partner is all about balance. Drafting needs to be balanced against client development. Work life and home life constantly compete. And, sometimes, two major clients demand attention at the same time.

Such was the case this week for Skadden, Arps, Slate, Meagher & Flom corporate partner Martha McGarry. Since midsummer McGarry's been helping manage CIT Group Inc.'s prepackaged bankruptcy (the fifth largest bankruptcy in U.S. history, by the way). Then, this week McGarry was called on by longtime client American Express Co. to lead its \$300 million acquisition of Revolution Money, a company that's developed a new payment system for credit cards.

A lesser deal lawyer might have folded under the pressure of managing the two, or seemed distracted while moving between matters. But McGarry isn't so easily ruffled.

"Martha has an ability to multitask, even when things are incredibly busy," says Thomas Greenberg, a Skadden M&A partner who worked closely with McGarry on the AmEx-Revolution buy. "And she takes a very practical approach to dealing with difficult issues."

In addition to handling most of AmEx's M&A work, McGarry manages the firm's relationship with CIT. Primarily a deal lawyer, in early summer McGarry turned to Skadden restructuring partner Gregg Galardi to run CIT's prepackaged bankruptcy (it was filed on November 1). Since restructuring talks began, she's been coordinating a sizable squad: "There is a big team [on CIT's bankruptcy], and I feel like I've been the conductor of a large orchestra," says McGarry, though she stresses that the bankruptcy team has really taken the lead on that one.

Splitting time doesn't seem to have affected client sentiment. Robert Ingato, CIT's general counsel, says he hears from McGarry just

about every day--she is letting him know where things stand and alerting him to any upcoming issues on the matter.

"She makes us feel like we're her number one client," says Ingato. "And with a firm the size of Skadden, you have to have a great captain to recommend the right people."

McGarry's work seems to be paying off. Yesterday CIT said that it has won widespread support for its restructuring plan, citing approval from 83 percent of debt holders. Under the plan, CIT says it will reduce total debt by nearly \$10 billion. (When it filed for Chapter 11 protection, the company listed \$71 billion in assets and \$64.9 billion in debt.) A hearing is scheduled on December 8 in front of U.S. bankruptcy judge Allan Gropper for final approval.

On the AmEx front, Skadden has long been one of AmEx's go-to M&A firms. The firm advised the company on the \$1.1 billion sale of its international banking subsidiary in 2007.

The company sounds upbeat about the opportunities this week's acquisition presents. Amex CEO Kenneth Chenault said in a statement announcing the deal, "[Revolution Money's merger] with American Express will help unlock their potential, while allowing us to deliver competitive online payment products more rapidly and efficiently,"

Asked to compare managing CIT's restructuring with handling quick-strike M&A work for Amex, McGarry says it's like comparing a marathon to the forty-yard dash.

"Though you probably work longer hours doing deal work, because bankruptcy and restructuring are so sustained it can actually take more out of you," she says.

