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Ken Moelis Builds a Juggernaut

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KENNETH D. MOELIS
Chief Executive Officer
Moelis & Company
Los Angeles

the NETWORKER

As the rest of Wall Street scales down, Ken Moelis aims to build the next great investment bank, one relationship at a time. By Scott Eden. Photographs by Ian Spanier

When Ken Moelis hosted a dinner last summer at Il Ristorante di Giorgio Baldi — a relaxed Italian hangout in Santa Monica popular with the Hollywood crowd — to commemorate the inception of his investment-banking shop, about 20 employees and their significant others paused to listen to the founder say a few words. He invoked the old photographs of the original partners of illustrious Wall Street firms — Morgan and Stanley, Goldman and Sachs — and indicated that someone at the dinner ought to snap a picture, for posterity's sake, of this current group of partners seated around a restaurant table in July 2007. Moelis then said, as he recalls, "I hope this is the beginning of something that, a hundred years from now, people will look back on and say, '*That's* when it started.' "

Moelis was fully intending to come across as boldly ambitious when he made the remark. It was, he says now, a motivational tactic, meant to inspire. "If people think they're creating something permanent, meaningful, historic," he says, "it changes how much they want to come to work."

Not that this group required much of a pep talk. Moelis had assembled a team of veteran lieutenants supremely loyal to him, and even if not all of them were brimming with confidence that evening, they would be soon. Within two months of the dinner, Moelis & Co. completed its initial round of fundraising, reportedly having garnered around $1.8 billion in investment capital, even while the rest of Wall Street began taking punches to the gut from the growing credit crisis. Meanwhile, Moelis started tapping into the network of business contacts he had developed over his 27-year career, which began in 1981 at the now-defunct junk-bond powerhouse Drexel Burnham Lambert; continued at Donaldson, Lufkin & Jenrette through the '90s; and marched on as he built an American investment-banking division from scratch for the giant Swiss bank UBS (from which he eventually resigned in terminal frustration with the conglomerate's bureaucracy).

Those prized relationships landed the nascent firm its first fee, a true whale. One day after hanging out his shingle, Moelis collected $15 million for advising Hilton Hotels on its sale to Blackstone. (The assignment was the result of Moelis's long-standing relationship with Stephen Bollenbach, Hilton's CEO, and was helped along by the fact that Hamilton "Tony" James, Blackstone's president, was Moelis's boss at DLJ.)

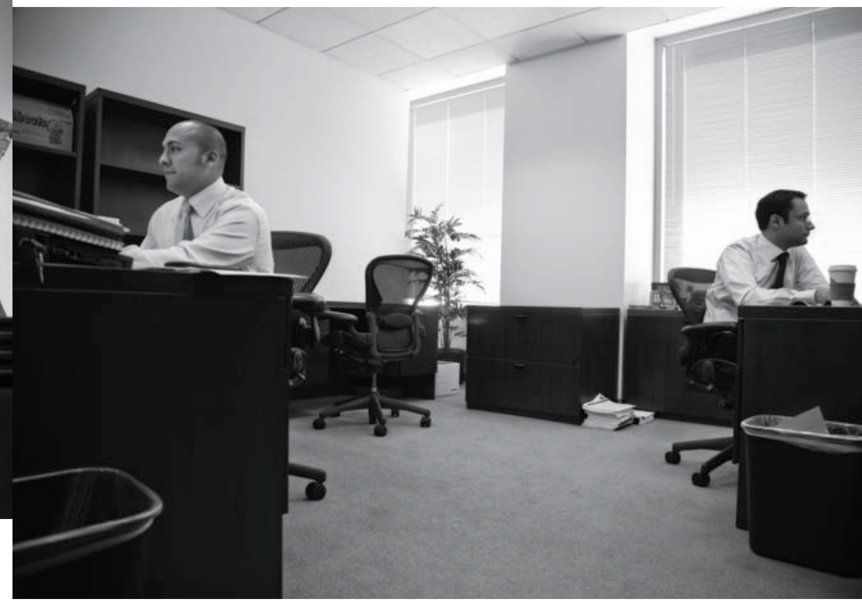
It's clear that the bankers working inside the firm's nondescript Westwood offices, in which they're rapidly running out of room, have collectively consumed the Ken Moelis Kool-Aid. "Without sounding obnoxious about it, I *know* we're going to be successful," says Jeff Raich, one of Moelis's 13 managing directors and its resident M&A specialist.

Like their chief, all employees at the firm are thinking big. They chafe at the term *boutique*. "I really don't like that characterization," says Navid Mahmoodzadegan, 39, Moelis's top media banker. "That's what we are today. By necessity we're starting small. But we want, over time, to start a full-scale investment bank." Moelis hired both Raich and Mahmoodzadegan in the mid-'90s, when he was head of DLJ's corporate-finance division, and both followed their mentor to UBS. Indeed, almost all of Moelis's directors — John Momtazee, Todd Wadler, Bob Crowley and Warren Woo — have followed the same path.

All the excitement on Wilshire Boulevard stems partly from the camaraderie generated by this shared experience, but also from a sense of liberation that stems from the newfound freedom of running their own firm. "I think all of us feel rejuvenated," says Raich, who, like his partners, considers himself an entrepreneur. Though they're all guarded about their days at UBS, it's apparent that they felt constricted working for an enormous financial conglomerate. "I was retired, happily," says Woo, the former UBS leveraged-finance head who had worked alongside Moelis since both were young bankers at Drexel. Woo resigned from the firm a year before Moelis, similarly frustrated. "Probably the only thing that could have got me out of retirement was this opportunity to build something from scratch, with guys I have tremendous respect for, without the constraints of being at a big firm."

Moelis, now approaching his fiftieth birthday, is one of those men of small stature who fairly burst with energy. A natural raconteur, he's the kind of guy you'd enjoy having a beer with, exuding charisma that has clearly served him well in his chosen line of work. He's known as a master networker. Says Leon Black, who was Moelis's first boss when both worked in Drexel's New York office in the early '80s, "It all comes down to his access to M&A and financing based on his network of relationships —

"I hope this is the beginning of something that, a hundred years from now, people will look back on and say, 'That's *when it started.' "*



that's his edge." Moelis spends most of his day on the phone, nurturing the network, and he likes to brag that, should a client need his advice, he'll take the first flight out of LAX in the direction of that client's home office. He recently returned from just such a trip to visit the heads of sovereign-wealth funds in the Middle East, and another to Las Vegas to meet with Steve Wynn, for whom he had helped finance several casinos in Atlantic City and Vegas while at Drexel and DLJ.

In addition to the Hilton sale, Moelis's network has paid off with other big-name assignments even as the markets grow choppier, deals unravel and M&A activity grinds to a halt. Take his illustrious role representing Yahoo (alongside Goldman Sachs and Lehman Brothers) in fending off Microsoft's $45 billion hostile bid: Susan Decker, the president of Yahoo, served as head of research at DLJ while Moelis presided over its investment-banking arm. Ron Burkle, another longtime client who goes back to Moelis's days at Drexel and DLJ, sits on Yahoo's board.

Moelis has some well-defined philosophies about investment banking, from workplace culture to talent management to client relationships to billing. He is, in short, a purist, believing strongly in the primary role of the banker as a trusted confidant and consigliere to CEOs and potentates. He believes that everything else — attempting to sell derivatives and other investment products to clients, for example — is ancillary and counterproductive. He never pushes his clients for up-front fees. He once restructured a company for Marvin Davis on nothing more than a handshake. ("With Marvin, if you wrote a contract, he'd try to outfox you," Moelis says. "He'd try to find a loophole and get out of it, but he'd always live up to his handshake.") He abhors micromanagement, believing that bankers should be offered enough room to give their clients the best advice possible. Even if that means saying no, for years on end, to clients who want to do imprudent deals.

"Investment banking is a bespoke business," Moelis says. "And bankers are tough to manage, which is why no one likes managing investment banks. You've got a bunch of high-octane prima donnas to deal with. They think of themselves as artists, in their advisory work and in how they treat their clients. You cannot commoditize them."

Moelis has faith that these closely held ideas will drive — and, indeed, have already driven — the growth of his firm. Of the nearly 30 mandates Moelis & Co. has won, including 10 exclusive sale assignments, about three-quarters are new clients, the result of cold calls and competitive bake-offs rather than longstanding relationships. When Dealogic released its league tables on March 26, Moelis & Co. ranked ninth in global M&A advisory, a decent showing for a firm not yet a year old.

Moelis's purist philosophy animates the entire firm. He and his camp like to package that philosophy as something new and fresh — a piece of marketing used to distinguish the firm from its competitors among the big conglomerates. Really, though, it's the culmination of Moelis's own development as a banker — an ethos that goes all the way back to his first job at Drexel Burnham Lambert.

(ANOTHER) ACCIDENTAL BANKER

Moelis says he became a banker "by complete accident." The son of a leasing-company entrepreneur in New Rochelle, New York, Moelis came out of Wharton's five-year BS/MBA program in 1981 with every intention of going to law school. But with investment banking all the rage, he decided to interview with some firms. As the rejection notices piled up — he admits he was a little cavalier about the process — he began hanging the letters in ironic triumph on his dorm-room wall. When a sleepy utilities underwriter based in Philadelphia surprised the graduate by agreeing to hire him — he had gotten good grades, after all — Moelis decided to give investment banking a try "just to prove that I could do whatever it was everyone else had been rejecting me from doing." He wasn't particularly optimistic about Drexel. "One of the great leaders of the Wharton MBA class said to me, 'Don't worry — one day you'll get a real job.' "

What no one knew at the time, of course, was that Michael Milken was just then beginning to assemble his junk-bond team, working from the legendary X-shaped desk in Drexel's Los Angeles office on Wilshire Boulevard, just down the street from where Moelis & Co. is now. With high-yield bonds financing everything from buyouts to casino construction, Drexel needed bankers. Moelis worked first in the company's New York office, but after two years the firm transferred him to L.A. Even in the early '80s, Drexel was beginning to develop the culture that would make it famous: one marked by ambition, aggression, drive, smarts, creativity and daring (perhaps too much daring). And no one embodied the firm's hard-driving ways more than the hungry, twenty-something vice president in the New York office who oversaw some of Moelis's early work: Leon Black.

"Leon was the first guy I did spreadsheets for," Moelis says. "He beat the crap out of me. I'd been working there 18 months, I was in my second year and hadn't taken a vacation. So I went to tell Leon, 'I just want you to know, I'm going away.' It was Christmas, I'm sure. Leon replied, 'If you wanna be a *quitter,* go ahead — *take* a vacation!' " Moelis walked out of Black's office, got on the phone and canceled his plans. Nonetheless, the two remain friends (and important business contacts) today.

Over time, Black, impressed with the young banker's abilities, turned over a few of his choice clients to Moelis. "He was a scrapper and a juggler and a thinker, a good combination — and he was creative, too," Black says.

The assignments Moelis drew in those early years at Drexel formed a who's-who of tycoons and future *Forbes* 400 billionaires: Chuck Dolan, Kirk Kerkorian, Ted Turner, Sam Zell, John Kluge, Ron Burkle, Steve Wynn. At the time, almost all were entrepreneurial arrivistes involved in risky businesses that Wall Street's white-shoe firms wouldn't touch. Several of them, the last four in particular, became the bedrock of Moelis's client base. After helping Wynn finance his casino deals, Moelis became a kind of gaming-and-hotel expert. He and Drexel helped Holiday Inn recapitalize in 1986, a deal in which Moelis met Bollenbach, a young CFO who would become one of his most important executive clients over the next 20 years. To get him closer to Vegas, Drexel transferred Moelis to its L.A. office, which was becoming the heart and soul of the firm.

Though he worked in a different division than Milken's trading outfit, the junk-bond king loomed large. From him, Moelis says, he learned about work ethic, intensive client service, the value of "dislodging the conventional way of thinking" and, of course, the ins and outs of cutting-edge leveraged finance. "There was no continuing expertise in high-yield bonds, in leveraged finance," he says. "So Drexel, in some ways, reinvented that whole part of the market. You actually were creating it. You were rewriting some rules of finance as you did it."

Moelis's career can be

thought of as representative of that classic conundrum: Is it better to be lucky or good? Like any successful person, Moelis has been both. When Drexel went belly-up in 1990, his instincts told him to scoop up those former clients left homeless by the firm's collapse. Just 32 years old, Moelis was aided in his efforts by the fact that many of Drexel's most talented staffers departed banking entirely, moving on to join or found buyout firms and hedge funds. (When Black cofounded Apollo, for instance, he took many Drexel bankers with him.) This did two things: reduced Moelis's competition for the Drexel client pool and gave him contacts at investment vehicles that, within several years, would have large amounts of money to burn on assets Moelis was helping to sell. "That may have created the greatest opportunity of my life," he says.

Moelis quickly found a job at Donaldson, Lufkin & Jenrette — known at the time for its prowess in research — bringing with him the patented Drexel fire and drive, plus a half-dozen young bankers he had been grooming there. He was thus able to install at DLJ some of the culture he had come to love at his first employer. DLJ offered some other innovations as well, notably a merchant-banking model that allowed the firm to invest alongside its clients in deals. Advisory and co-investment were "symbiotic," Moelis says. "They worked so well together."

Not long after he joined DLJ, the economy entered a recession, and deal flow started drying up. The crafty banker decided to focus on corporate restructurings, recaps and bankruptcy workouts. "I always said that financial restructuring *is* M&A, except that you're negotiating to get your asset back from your creditors," he says. Just as he had become a leveraged-finance guru at Drexel, he reinvented himself as a restructuring guru at DLJ. Among his first such assignments was Southland Corp., the object of an LBO that had run into serious trouble. Moelis performed a successful prepackaged bankruptcy, one of the biggest in history at the time, earning a fee of nearly $10 million — a paycheck that swiftly helped him find cheerleaders at higher levels of DLJ, including Tony James, then head of the firm's merchant-banking group. Around the same time, Moelis helped Donald Trump retain control of the Trump Taj Mahal in Atlantic City when the real-estate baron faced bankruptcy in 1990. As it happened, one of the biggest bondholders in both Southland and Trump was Carl Icahn, who was so impressed by Moelis that he later hired him when he needed to extract TWA from its own bankruptcy the next year.

Moelis soon discovered that restructuring troubled companies had an immeasurable upside: garnering deep loyalty from clients in need of rescue. "If you want to make a good friend in investment banking," he says, "help somebody when he's down." Moelis engendered just such fidelity in John Kluge, the TV-station and cellphone-tower billionaire, who had been a Drexel client. In 1991, when Moelis noticed that a small company Kluge owned, the Ponderosa steakhouse chain, was on the brink of failure, he gave him a call, landed the mandate and helped clean up the company. Kluge, now in his nineties, has remained a steadfast patron of Moelis's ever since. Says Kluge's right-hand man, Stuart Subotnick, "Ken will do work at a drop of a hat. If we needed something in New York and he was in Los Angeles, he'd be on a plane."

"Moelis is a scrapper and a juggler and a thinker, a good combination — and he's creative, too."

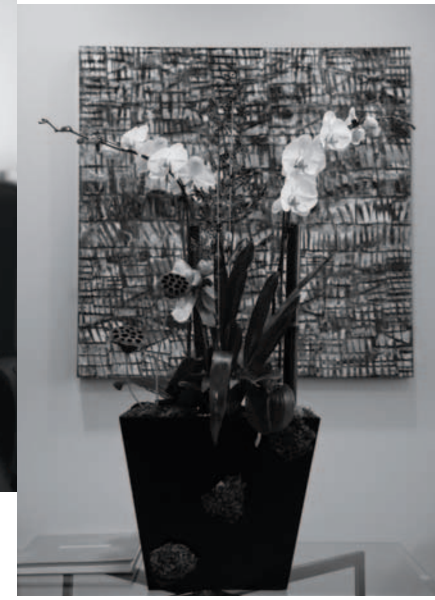
When DLJ was sold to Credit Suisse First Boston in 2000, Moelis thought it was a good time to get out, a decision based on more than just instinct. "It was a terrible merger," he says. "There were two butts for every seat." But the CSFB offer was so good — $90 a share, almost three times DLJ's stock price — that he was a staunch proponent of the deal. "It was the right thing for our shareholders."

Looking around for his next project, Moelis had a hankering to build, once again, from scratch. He zeroed in on UBS, the Swiss behemoth, which had a quality investment-banking practice elsewhere on the globe but little presence in the United States. "I said to them, 'Hey, you've got Europe and Asia. I can bring you the U.S.' "

His involvement, he says, was "a blank slate. It was an unknown. I had one client ask me when I first got there, 'How do you *spell* UBS?' "

He persuaded Zurich with his pitch, and set about aggressively poaching talent from all over Wall Street — he eventually hired about 100 managing directors — and, of course, bringing in his core team from DLJ. The culture he instituted was, once again, Drexel-esque, with an increasing dash of the purist's philosophy he had developed even further while managing deals at DLJ: letting your bankers be bankers, or, as he puts it, "downloading authority."

Though his efforts produced positive results for UBS — big deals and big fees (including the sales of Univision and Harrah's), widening market share, progress up the league tables — his methods clashed with those of the bank's top brass in Zurich. Among other things, UBS's bureaucratic structure meant that approval for almost every major decision



had first to be run through headquarters — resulting in several crucial missed opportunities. In 2003, Moelis requested authority to move faster on deals that required large amounts of leverage. He was officially granted it in 2006, at the peak of the credit boom.

When his frustration reached its limit in February 2007 ("I didn't leave until I had run out of runway," he says), he flew to Zurich, tendered his resignation and took the rest of the day off. Only on the flight back to Los Angeles did he let his mind wander in the direction of what it might take to start his own firm.

START ME UP

Moelis's first rule is to stick with what he does best: investment banking, the essence of which, for him, is providing strategic advice. He has every intention, though, of ultimately offering a full menu of corporate-finance services. "I'll do business in places where intellectual capital counts," he says, citing equity distribution, high-yield debt distribution and leveraged finance. "We've got a long way to go to do that," he adds. But the firm has already taken a step in that direction by raising money to build out its infrastructure and co-invest alongside its corporate clients. Put simply, Moelis & Co. aspires to be the modern equivalent of merchant bank DLJ. The company declined to discuss any aspect of its private-equity activities. But talk within the market pegged the investment fund at more than $2 billion.

In some ways, Moelis's timing has once again proved on the money. With the mortgage crisis expanding into the broader credit markets, talent has come loose all over Wall Street. JPMorgan's fire-sale takeover of Bear Stearns in March, meanwhile, flooded Moelis's offices with résumés. So far, he has enlisted eight bankers from UBS and five from other firms, including two from CIBC. His New York office has grown quickly, and might soon employ more staff than its Los Angeles outpost. Though he has built his reputation as a media and lodging banker, he maintains that he has always been a generalist, and that his firm will be as well. He'd like to add roughly 40 bankers to his roster by the end of the year, to a total of 100, across all industry sectors. He plans to open a London office sometime within the next year or two, and has mused about the possibility of Shanghai and Dubai, though not to the point of putting them in a business plan. "I just think that's where the world is going," he says.

"Ken will do work at the drop of a hat. If we needed something in New York and he was in L.A., he'd be on a plane."

However, some observers have raised doubts about the prospect of building such a shop in a down market, when even top firms are fighting over what little business there is to go around. Among the questions: Will enough of the brightest talent — whose high-level relationships bring in immediate business — be willing to jump to a startup, even if their current firms are hurting? What's more, how do you scale a business off primarily one banker?

Another potential test for Moelis is the obvious one: sheer competition. In a down market, Moelis's lack of a balance sheet might be considered a good thing. But when credit eventually loosens and deal flow again demands access to leverage, Moelis & Co. might find itself at a disadvantage. CIBC Oppenheimer analyst Meredith Whitney cautions, "If ever he expects to compete on balance

sheet, he can't do it."

Moelis and his partners believe their best recruiting pitch is the firm's entrepreneurial *joie de vivre* culture: hustling, hitting the pavement, being creative and being part of an expanding business rather than a shrinking one. "A lot of investment banks are just not fun places to work anymore," says Mahmoodzadegan. Perhaps more importantly, though, Moelis is also enticing bankers by promising them an equity slice of the firm. (According to people close to the situation, Moelis is currently keeping between 50 and 60 percent of the equity in the firm — which is currently valued between $750 million and $1 billion — though that might change.) Deal teams will also have a chance to get paid in carried interest from the firm's co-investment in large deals on which those teams worked.

When Moelis and his partners talk about the firm's entrepreneurial mission, they partly mean that they're targeting mandates from middle-market companies, not just blue-chips — the Hiltons and Yahoos inside Moelis's Rolodex. "If you're a firm focused on big-cap M&A, you tend to attract an older professional who has a couple of big-cap corporate relationships," Raich says. "We tend to attract a younger, more aggressive banker who's not only looking to do big-cap advisory work but is also prepared to execute transactions in the middle market."

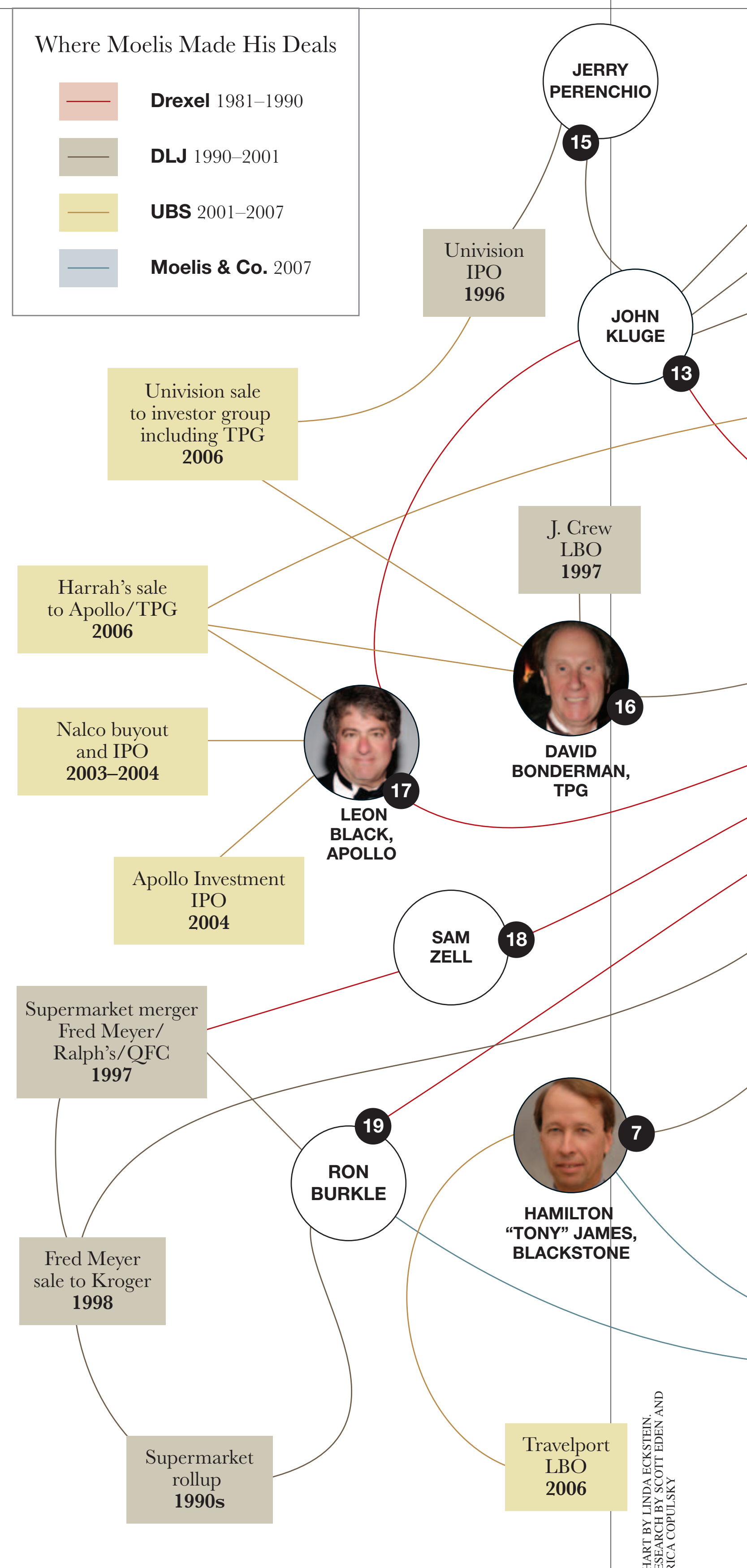
As for the long term? "Anyone in investment banking who has a static five-year plan is a fool," Moelis says. "The markets tell you what your plan is." That goes especially for financing. Though he would like one day to offer a balance sheet, he will in the meantime find other creative solutions to provide clients with credit, should they need it. "We can make people compete for financing the same way buyers compete for a company," he says. For a recent sale mandate Moelis is handling, he has approached mainstream commercial banks and credit hedge funds Golden Tree Asset Management, Ares Management and GSO Capital about taking on the financing. For deals of this kind, Moelis would like his firm to put up funds in the subordinated mezzanine, alongside the hedge funds. "We have good contacts, but we're not wedded to any single institution, which might be sitting on too much bridge loan and is out of business that day," he says.

As always, Moelis is working hard, routinely arriving at the office at 5 in the morning — not quite to Milken's 4 A.M. standards, but close. And he often lies awake at night. "I'm not worried about failing so much as not taking advantage of one of the greatest opportunities I've ever seen," he says. "I think there's a real niche here to create a meaningful investment bank of size, of substance — and to do it quickly, given what's going on on the Street."

Amid the stresses of his career, though, Moelis still makes time for his family — and in one way, at least, he has been able to combine his home life with his competitive spirit. A talented point guard in high school, Moelis is now the head coach of his 10-year-old daughter's youth basketball team. "Last week we won 26–6; they were just whipping the ball around," he says proudly. The team's animating concept is ball movement, and its culture is team-oriented and low-ego — everyone dedicated to the task of being in the right place at the right time in order to score points. Moelis expects to win the championship this year. There's only one problem. "The league got mad at me!" he says, almost shouting with joy. "I understand this thing went all the way up to Beverly Hills City Council! They want to break up this team — they're too good." D

SIX DEGREES *of* KEN MOELIS

1. STEPHEN F. BOLLENBACH: As CFO of Holiday Corp. in the 1980s, Bollenbach works with Moelis and Drexel on the company's 1987 recapitalization, an effort to fend off a hostile takeover attempt by Donald Trump.
2. DONALD TRUMP: Bollenbach becomes Trump's CFO in August 1990, and he recommends Moelis as lead adviser on the Trump restructuring, 1990–'91.
3. MARRIOTT: In 1992, Bollenbach becomes CFO and hires Moelis to advise on the 1994 spin-off of Host Marriott. Moelis also handles subsequent financings when Bollenbach is CEO of Host Marriott between 1994 and 1996.
4. HILTON: When Bollenbach becomes CEO of Hilton Hotels in 1996, he taps Moelis to advise on Hilton's buyout that year of Bally Entertainment Corp.; the 1998 spin-off of Hilton's gaming operations into Park Place Entertainment; Hilton's 2005 purchase of Hilton U.K.; and Hilton's 2007 sale to Blackstone (see No. 7).
5. BALLY: In 1986, Moelis advises Bally on its purchase of the MGM casinos from Kirk Kerkorian (see No. 10) and the Golden Nugget Atlantic City from Steve Wynn (see No. 9). Moelis becomes Bally's go-to banker for financing in the '90s, until it's acquired by Hilton (see No. 4).
6. CAESARS: Bought by Park Place in 1999, the company subsequently changes its name to Caesars Entertainment. Moelis advises Caesars in its 2005 sale to Harrah's (see No. 12).
7. TONY JAMES/BLACKSTONE: James is one of Moelis's bosses at DLJ. He becomes president of Blackstone in 2002. Moelis advises Blackstone on its 2006 LBO of Travelport, and helps sell Hilton (see No. 4) to the firm in 2007.
8. CARL ICAHN: A major bondholder in two of Moelis's big restructurings in the early 1990s, including Trump, Icahn is impressed by the banker and hires him to restructure TWA in 1992. Moelis also takes Icahn's American Railcar public in 2006.
9. STEVE WYNN: At Drexel, Moelis is involved in financing a number of Wynn properties in both Atlantic City and Las Vegas. He also helps Bally (see No. 5) buy Wynn's Atlantic City Golden Nugget in 1987.
10. KIRK KERKORIAN: Wynn introduces Moelis to Kerkorian, owner of MGM. Moelis works on the 1986 sale of the MGM/United Artists film library to Ted Turner (see No. 11) and the MGM casino business to Bally (see No. 5).
11. TED TURNER: Kerkorian releases Drexel from conflict so the firm can finance Turner's purchase of the MGM library.
12. HARRAH'S: Moelis works on the 1989 sale of Holiday Inn (see No. 1) to Bass PLC, and the spin-off of Harrah's into a company then called Promus. Harrah's splits from Promus in 1995 and buys Caesars (see No. 6) in 2005. Moelis advises Harrah's on its 2006 sale to Apollo-TPG (see Nos. 16 and 17). Helping Moelis win the mandate: Bob Miller, a Harrah's board member and former CEO of Fred Meyer supermarkets, a company Moelis helps sell to Ron Burkle (see Nos. 18 and 19).
13. JOHN KLUGE: Moelis inherits a prized relationship with Kluge from Leon Black (see No. 17). Key deals involving the two include the 1991 sale of Metromedia's cellular assets to Comcast; the 1991–'92 restructuring of Orion Pictures; and the 1996 unwinding of Kluge's $1 billion position in WorldCom stock.
14. PAT ROBERTSON: Thanks to a reference from Kluge, Moelis wins the mandate for the 1992 IPO of Robertson's International Family Entertainment.
15. JERRY PERENCHIO: By way of Kluge, Moelis advises on Perenchio's 1992 purchase of Univision, its 1996 IPO and its 2006 sale to TPG, Providence Equity, Thomas H. Lee Partners and Saban Capital.
16. DAVID BONDERMAN/TPG: Moelis meets Bonderman during a 1993 bidding war for Continental Airlines, which Moelis's client lost. Moelis advises TPG in its 1997 purchase of J. Crew, and is on the sell side of deals for Univision (see No. 15) and Harrah's (see No. 12).
17. LEON BLACK/APOLLO: At Drexel, Black serves as Moelis's first boss. Moelis's deals with Apollo include co-leading the 2004 IPO of Apollo Investment Corp.; financing the 2003 Apollo/Blackstone purchase of Nalco and underwriting its 2004 IPO. Black is also across the table from Moelis in the Apollo/TPG buyout of Harrah's (see No. 12).
18. SAM ZELL: Originally a Drexel client, Zell taps Moelis for his 1993 purchase of Jacore and his 1999 sale of the company to Clear Channel. In 1997, he helps broker a supermarket merger between Fred Meyer, Zell's QFC chain and Ron Burkle's Ralph's chain (see No. 19).
19. RON BURKLE: Moelis advises Burkle in his '90s supermarket-industry rollup. Deals include the 1997 Fred Meyer/Ralph's/QFC merger (see No. 18); the 1998 sale of Dominick's to Safeway; and the 1998 sale of Fred Meyer to Kroger.
20. SUSAN DECKER: Formerly head of research at DLJ, Decker is now president of Yahoo. Through Decker, Moelis & Co. lands Yahoo mandate. Also helping Moelis score the assignment: Ron Burkle (see No. 19), who sits on Yahoo's board.
21. JOHN KISSICK: Head of corporate finance at Drexel in the 1980s and one of Moelis's first mentors. Kissick goes on to cofound Ares Management. Among other deals, Moelis advises Ares in a $2 billion fundraising in 2006.
22. OAKTREE CAPITAL: Moelis advises Oaktree in its 2004 sale of Maidenform to Ares (see No. 21) and its 2007 sale of Cannery Casinos to James Packer's Crown Ltd. (see No. 24), another early Moelis & Co. fee.
23. NELSON PELTZ: A former Drexel client and confidant of Michael Milken's. At DLJ, Moelis wins mandate from Peltz to advise on the 1997 purchase of Snapple from Quaker Oats. DLJ also underwrites Snapple's 2000 IPO.
24. JAMES PACKER: Peltz introduces Moelis to the Australian billionaire. UBS wins role as co-underwriter for the 2006 IPO of Packer's Macau casino operator, Melco PBL. Also, Moelis & Co. is the sell side on Packer's 2007 purchase of Cannery Casinos (see No. 22).
25. RON PERELMAN: Another former Drexel client. At DLJ, Moelis pitches Perelman and wins a 1996 mandate to restructure Marvel Comics. While at UBS, Moelis advises Perelman's Revlon in a 2004 recapitalization.
26. DAVID RUBENSTEIN/CARLYLE: At DLJ, Moelis advises Carlyle in its 1995 sale of Caterair — acquired out of Marriott six years earlier — to Sky Chefs. Because Host Marriott (see No. 3) is Caterair's controlling creditor, Carlyle hires Moelis on the strength of his relationship with Bollenbach, then Host Marriott's CEO.



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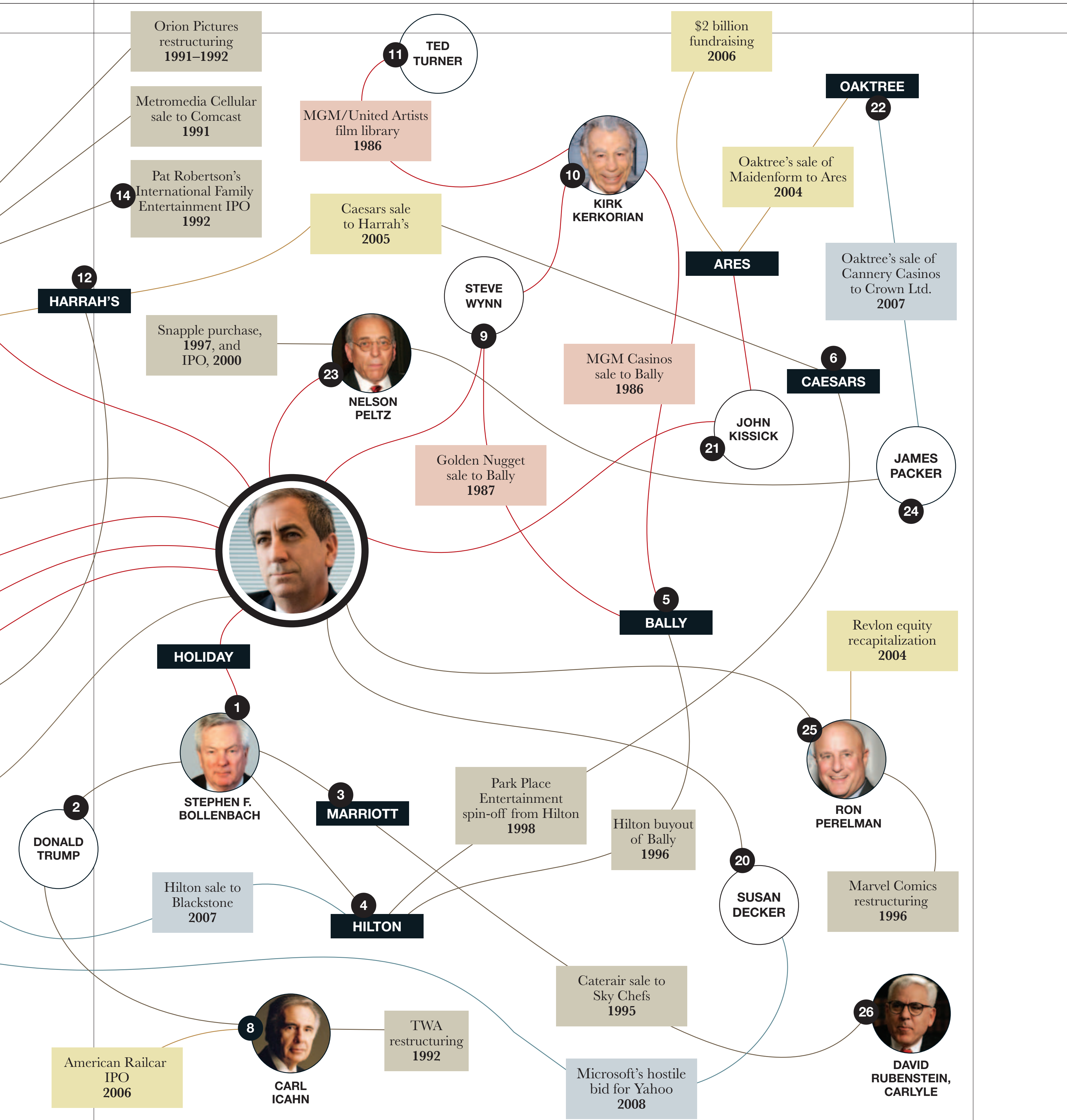
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