

BioCentury

THE BERNSTEIN REPORT ON BIOBUSINESS

Volume 17 • Number 13 • Page A1 of 22

Solomon's baby

In the wake of Lehman Brothers' implosion, vice chairman and longtime biobanker Fred Frank received no shortage of phone calls from firms looking to hire him. "I made it clear that I'd take offers under advisement but was only available to be hired along with Mary" Tanner, his wife and one-time colleague at Lehman, said Frank.

"The question now is who among the biotechs is going to be the diner and who is going to be the dinner."

Fred Frank, Peter J. Solomon Co.

The message wasn't lost on Peter Solomon, who hired his two friends and former colleagues to launch and run the pharmaceutical and life science practice at **Peter J. Solomon Co.** Frank joined the investment banking advisory firm as vice chairman, while Tanner will be managing director. Frank was most recently vice chairman of Barclays Capital, which absorbed Lehman. Tanner was previously managing partner at Life Science Partners, a firm she founded to specialize in healthcare investment and strategic advisory work.

At Peter J. Solomon, Frank said the life sciences group will be "highly concentrated on the advisory side. In certain situations we may do PIPEs, but we won't be underwriting public deals. We'll be advising companies across the spectrum of size, and we are going to be very active in M&A transactions."

Frank added that M&A is not just going to be about pharma and biotech. "**Gilead's** \$1.4 billion cash acquisition of **CV Therapeutics** is a classic case of what can happen among biotechs. The question now is who among the biotechs is going to be the diner and who is going to be the dinner," he said. "We saw Biogen Idec being shopped around aggressively, but it's more likely to be an acquirer than an acquiree. I think all the top biotechs are going to be on the hunt."

Both Frank and Tanner expect to see increasing diversification by large companies. "Most successful pharmas — **J&J**, **Abbott** and **Roche** — are the most diversified and others will emulate this," said Frank.

Added Tanner: "We will see more convergence, especially with therapeutics and diagnostics. We expect to see diagnostics players moving into the therapeutics space."