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LOCKHEED MARTIN CORP./COMSAT CORP.

Having recently been rebuffed in an effort to acquire a major competitor in the defense contracting field, the Lockheed Martin Corp. decided late last month to expand in another direction.

In a \$2.7 billion deal, Lockheed announced it would purchase Comsat Corp., a communications satellite company located across the street from the defense giant in Bethesda, Md.

The deal, if approved by the Federal Communications Commission and the Justice Department, would create a massive global communications company involved in everything from military products to satellite design to a range of digital video, voice, and data services.

Under the deal, Lockheed will pay \$1.3 billion for 49 percent of Comsat; the additional \$1.4 billion worth will be acquired by Lockheed through a stock swap, pending congressional approval.

Lockheed abandoned its multibillion dollar bid to purchase the Northrop Grumman Corp. in July after strong

opposition to the deal had been raised by the Justice and Defense Departments.

For the deal, Lockheed turned to four outside firms. From Los Angeles' O'Melveny & Myers, Lockheed tapped David Litt and associate Richard Lind of the D.C. office; Drake Tempest, special counsel Peter Shinevar, and associate Carmine Broccole of the New York office; and Linda Griffey of the Los Angeles office.

At D.C.'s Dow, Lohnes & Albertson, Lockheed looked to

Raymond Bender Jr., Leonard Kennedy, J.G. Harrington, and associates Carlos Nalda, Jennifer Keefe, and Trey Hanbury for Federal Communications Commission work.

For regulatory matters, Lockheed tapped Raymond Jacobsen, William Barrett, and associate Jon Dubrow of the D.C. office of Chicago's McDermott, Will & Emery.

Finally, Thomas Wessel, Robert Woodward, and associate Jeff Davis of the D.C. office of Atlanta's King & Spalding handled tax matters for the defense giant.

Lockheed also relied on in-house Associate General Counsel Stephen Piper, as well as General Counsel Frank Menaker Jr., Associate General Counsel Marion Block, and General Tax Counsel Arnold Chiet.

Comsat looked to two outside firms: New York's Skadden, Arps, Slate, Meagher & Flom, and Los Angeles' Latham & Watkins.

At Skadden, Antoinette Cook Bush and James Alpi from the D.C. office, Richard Easton from the Wilmington, Del., office, and Alan Myers from the New York office led the charge. Also involved were John Quale, Mary Lou Steptoe, counsel Brian Mohr, and associates Linda Morrison, Brian Weimer, Armando Gomez, and Kenneth Shiu from the D.C. office; Henry Huser from the Brussels office; and New York associates Daniel Hunter, Daniel Galpern, Luciana Santos Teixeira, and David Pashman.

At Latham, Comsat tapped James Barrall and associate David Taub. Comsat also relied on in-housers General Counsel Warren Zeger, Associate General Counsel Robert Davis, and Senior Counsel David Dedman.

Zeger says Comsat would have been hard pressed to find a better merger partner. Lockheed "is an ideally suited partner in terms of technology," he says, "and is positioned to support growth in the field."

—Sam Skolnik

Deals and Suits