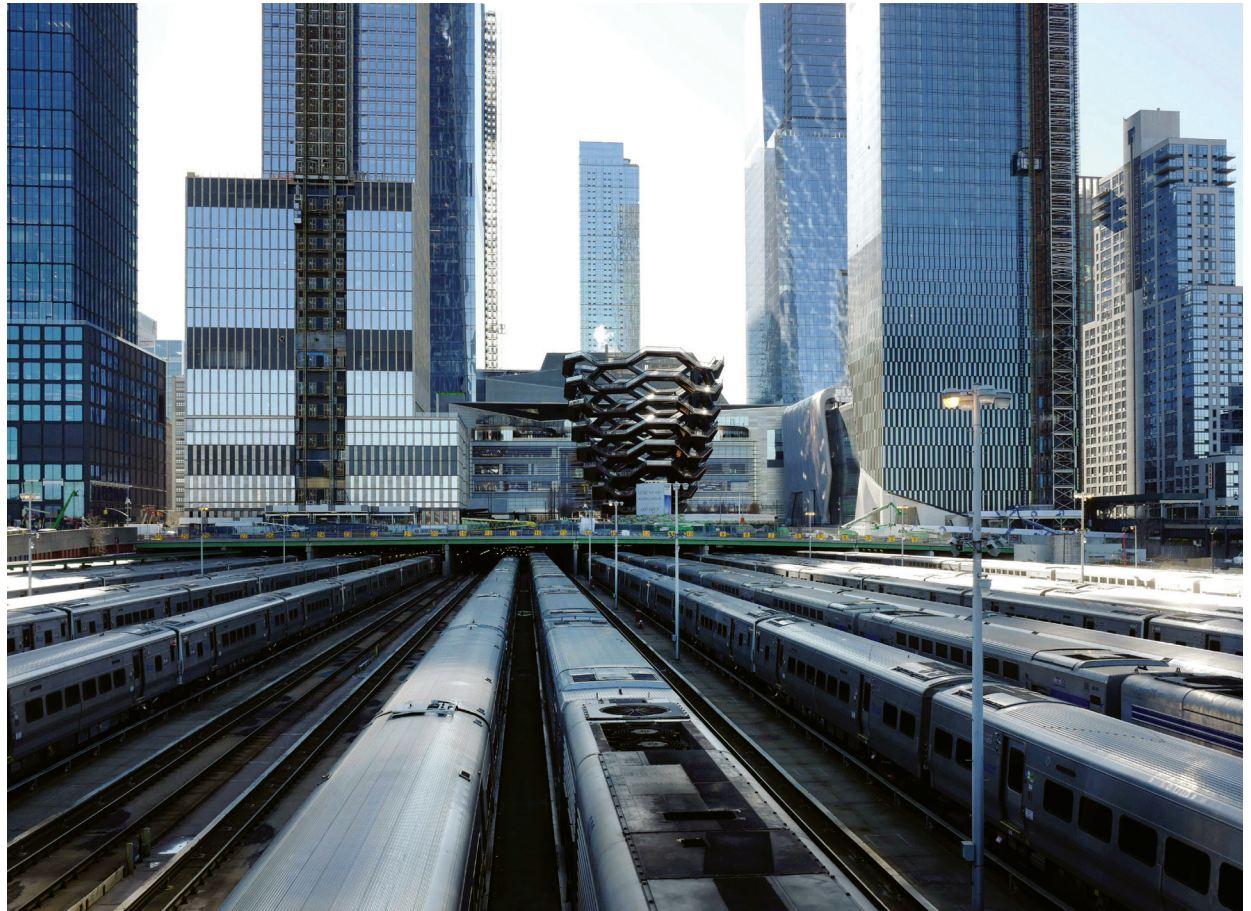


PRACTICALITY SETS SILICON ALLEY APART IN TECH WORLD

New York companies build up industry with down-to-earth approach

STORY BY ROBERT MARICH



NEW YORK'S SILICON ALLEY occupies a densely populated area loaded with human expertise, money and corporate ambitions. The local tech culture stands in opposition to Silicon Valley's shoot-for-the-moon ethos by emphasizing practical concepts that are magnets for funding and, if realized, are ideal as bite-size acquisitions for larger companies.

"There's less of the 'giant idea' that's meant to re-paint the sky but more down-to-earth [concepts] that can be implemented in the short term," says Al Lieberman, professor at New York University's Stern School of Business and executive director of NYU's Entertainment, Media & Technology program.

By all measures, the Big Apple region ranks a distant second in tech heft after Silicon Valley. The PwC/CB Insights MoneyTree Report counts New York second among states for tech deals and investment measured in dollars for the second quarter of 2019, but the sum is less than a quarter the size of leader California. When looking at metropolitan areas, PwC/CB Insights MoneyTree places New York-Newark as No. 2, ahead of No. 3 Boston-Worcester-Providence and No. 4 Los Angeles-Long Beach. Those numbers measure all tech, reflecting specializations such as the Boston region's concentration of health-care tech, Pittsburgh's leadership in robotics and Washington's focus on cybersecurity and defense.

The New York tech industry's focus is in digital media, entertainment and advertis-

TECH ON TRACK
Trains roll in and out of Hudson Yards, one of New York's top hubs for the tech industry.

ing. Those are in synch with established hometown industries such as advertising, broadcasting, cable TV networks, magazine and book publishing and the pro sports leagues headquartered in the city. For example, Warner Bros. parent company AT&T is building a 20,000-square-foot WarnerMedia Innovation Lab in the Chelsea neighborhood of Manhattan that will be a testing and proving ground for digital media touchpoints.

Tech congregates in Manhattan, especially at the emerging Hudson Yards real estate development, as well as in Brooklyn and adjacent Long Island. Among New York's appeal to employers is its sheer size, with a vast cadre of white-collar workers and a youth-skewing population, which is the first generation of digital natives.

"When you see all the drivers across many verticals, not just media/entertainment but also financial tech and health care ... they're all here," says Jesse Redniss, general manager of the WarnerMedia Innovation Lab.

Manhattan-based tech entrepreneur Brett Goldberg, co-CEO of online concert and sports ticketing company TickPick, which scored a \$40 million investment from PWP Growth Equity in August, says the population provides "expertise in every specific job front you want to hire, whether it's developers, engineers, CFOs and marketing. You don't have to worry about re-locating people. The people are already here."

Other New York advantages include a cosmopolitan old-world atmosphere and

geographic location that attracts European companies setting up U.S. offices. For example, the U.S. headquarters for Sweden-based music-streaming behemoth Spotify is a Manhattan high-rise. The region's extensive in-city train transit system is cited as other advantage, because tech workers uncomfortable driving can live a car-less lifestyle.

Of course, New York has drawbacks. Labor, operating and land costs are high; the city's infrastructure is crumbling; and the major tech players are largely headquartered elsewhere.

Moneywise, Wall Street rarely funds tech's boom-or-bust startups. But as an affluent region, there's potential to attract high-net-worth financial angels with deep pockets willing to take a bet.

Nurturing companies from scratch — keeping tech-skilled wizards from running off the business rails — is the realm of specialist venture-capital funders who are "company building specialists," says Eric Hippeau, managing partner of Lerer Hippeau Ventures, a Manhattan-based VC firm with media investments. "That's not done through financial engineering. It's done through blood, sweat and tears."

New York tech mushroomed by embracing the digital side of the region's traditional media and entertainment industries and an orientation toward the practical. "There is very little tolerance here for building something with a ton of eyeballs and no revenue, which is something you do see in San Francisco," says one digital New Yorker. **■**

ELITES OF THE EAST

Execs and attorneys in and around the Big Apple shaped showbiz with big deals in the past year

BY ROBERT MARICH

HOODED JUSTICE
Attorney Victoria Cook helped talent cut deals for HBO's upcoming "Watchmen" series, starring Regina King.



RUDY ADOLF

Founder, Chairman and CEO
Focus Financial Partners

New York-based Adolf is the great consolidator for Hollywood business-management firms providing accounting, financial planning and banking services. With acquired companies, Adolf pursues a scalable approach to owner-succession planning and executive recruitment, sharing of best-practices knowledge and the clout of combined purchasing power. Since December, Focus has bought Neuman + Associates; David Weise & Associates; Altman, Greenfield & Selvaggi; Wasserman, Grossman & Sloan; and U.K.-based Skeet Kaye Hopkins. Neuman and Weise merged into NKSFB, Hollywood's largest such firm, which Focus acquired in early 2018. Focus is publicly traded, with a \$1.5 billion stock market capitalization.



BOB BAKISH

President and CEO Viacom

JOE IANNIELLO

President and Acting CEO CBS Corp.

Bakish revived Viacom since taking the helm in 2016, laying the groundwork for the blockbuster deal last month to reunite with CBS. In the past year, Bakish catapulted Viacom into mainstream streaming with the \$340 million acquisition of Pluto TV, partnered with Tyler Perry on streamer BET Plus, acquired the Garfield property and, for MTV, the SnowGlobe Music Festival. Ianniello accelerated content investment for CBS All Access and Showtime streaming, concluded an AT&T TV channel carriage deal ending a blackout, and bought full ownership of Pop TV. Bakish sees Pluto "as a platform to work with distributors, to create incremental value in broadband, mobile and video sub bases, both through advertising and by up-selling additional video."



BRUCE CAMPBELL

Chief Development, Distribution & Legal Officer, Discovery

New York-based Campbell says today's direct-to-consumer connection enables "going deep with passionate audiences, including a participatory element and not just long-form video content." He adds that brand-name intellectual property is needed to stand out in a cluttered landscape. This past year saw him set up a global video-streaming business using BBC content and unwind a 50/50 TV channel venture with the BBC, giving Discovery full ownership of three U.K. channels. He also established joint ventures with home-improvement gurus Chip and Joanna Gaines; the PGA Tour to create streamer GolfTV; with Tiger Woods for a content partnership; and acquired "Golf Digest."



CHARLES S. COHEN

Chairman and CEO
Cohen Media Group

Buying leading indie-movie cinema circuit Landmark Theatres and its 252 screens in December, Cohen grew his company's footprint in the arthouse cinema business. The New York-based entrepreneur and self-described "lover of all things film" adds Landmark to a portfolio that has already expanded into film distribution, film restoration and VOD. In 2015, he bought the revered Merchant Ivory film library. Forbes magazine puts Cohen's net worth at \$3.4 billion, which is grounded in real estate. Cohen says that today's audiences, facing mushrooming digital online options, may temporarily freeze from content overload. "There's a lot to navigate and find what they are passionate about," he says.



VICTORIA COOK

Partner, Entertainment Group,
Frankfurt Kurnit Klein & Selz

Cook finds that creative talent today comes from broader backgrounds and geography, so Hollywood gigs are "not as cookie-cutter as they used to be," making a bigger impact on the culture. She repped the creators and co-stars of "Desus & Mero" in their move to Showtime; Oscar-nominee Dee Rees in nabbing the directing gig on "The Last Thing He Wanted" as her second feature with Netflix; and director Alison Klayman and producer Marie Therese Guirgis for doc "The Brink." The New York attorney also repped talent for HBO projects: Nicole Kassell for directing and producing "Watchmen" and Augustine Frizzell for directing "Euphoria."



ROB FREEMAN

Partner, Co-head of Technology, Media & Telecommunications. Proskauer

"In an increasingly disaggregated world, the issue becomes whether some service emerges that once again aggregates the best brands and content under one roof," says the New York-based lawyer who focuses on entertainment and sports. Freeman advised longtime client Discovery Inc. on launching its direct-to-consumer streamer GolfTV in association with PGA Tour; on acquiring the Golf Digest magazine; and on acquiring BBC programming for a streaming initiative. Other clients include cable system operator Cox Communications, Charter Communications' Spectrum arm, Caribbean-focused multichannel provider Digicel, NBA Media, Hulu, and online wagering company the Stars Group for its partnership with Fox Sports.



DEXTER GOEI

CEO, Altice USA

JON STEINBERG

President, Altice News

Goei negotiated the \$200 million acquisition in April of millennial-focused financial news streamer Cheddar. Helming the No. 4 cable-system operator, Goei also launched Altice Amplify (partnered with Amazon and Devialet) and Altice Mobile (partnered with AT&T for roaming). Founding Cheddar in 2016, Steinberg grew the company to \$27 million in 2018 revenue and 190 employees. Along the way, Steinberg raised tens of millions of dollars from Jeremy Liew's Lightspeed, Raine Group, Altice USA and others. Steinberg, former BuzzFeed president, is struck by the proverb that "the conventional wisdom is usually right but seldom profitable." He finds going against the grain increases risks, but reaps greater rewards if successful. Both execs are in New York.



BRIAN GOLDNER

CEO Hasbro

DARREN THROOP

CEO Entertainment One

Digital-media ambitions are behind Pawtucket, R.I.-based Hasbro's agreement to buy Entertainment One for \$4 billion. Goldner says that tapping eOne's "immersive entertainment capabilities ... better positioned [us] to unlock the full franchise value of our brands." Goldner bought the Power Rangers brand last year for \$522 million. Hasbro also licenses merchandise rights for Marvel, Star Wars, Disney Princesses and Frozen. Throop orchestrated eOne's physical and digital distribution deal with Universal Pictures Home Entertainment and bought U.K.'s Audio Network for \$215 million earlier this year. Headquartered in Toronto, eOne is an original investor in Steven Spielberg's Amblin Partners and owns foreign-film sales company Sierra/Affinity.



TOP TOYS

The "Star Wars" toy license is an anchor for Hasbro, which last month acquired Entertainment One for \$4 billion.



KILLER DEAL

Richard B. Heller repped Aaron Sorkin in his deal to adapt "To Kill a Mockingbird" for Broadway.



JUSTIN G. HAMILL

Partner, Latham & Watkins

Hamill observes that while China is formally opening its local media and tech economy wider, there's a chill from the larger U.S.-China trade battle. "It's an interesting puzzle as a result," Hamill says. "People are trying to figure out how to place their bets. It'll play out over the next 18 months." The New York-based lawyer is advising long-time client Endeavor on its mammoth IPO, now in registration. He also advised Endeavor on the April sale of its creative ad agency Droga5 and the December merger of its sports marketing business, which created the sizeable Learfield IMG College. Other clients include Richard Branson's Virgin Group.



RICHARD B. HELLER

Partner & Co-chair, Entertainment Group, Frankfurt Kurnit Klein & Selz

With long-predicted convergence now a reality, Heller says the downside is now apparent as "information overload" from the overflowing media. Going forward, he sees dealmaking around entertainment brands from "iconic talent and storytellers that cut through the clutter." Working the literary scene in New York, Heller repped Roald Dahl Story Co. to Netflix for family-oriented animated series, Aaron Sorkin for the Broadway adaptation of "To Kill a Mockingbird" and author Dean Koontz for a new book-publishing deal with Amazon. Heller also works Hollywood talent, celebrity branding, motion pictures and TV, publishing, streaming and Broadway.



JOEL A. KATZ

Founding Chairman, Global Entertainment and Media Practice, Greenberg Traurig

The Atlanta-based music attorney says music talent needs to be vigilant to get a fair share of streaming bounties from record labels and music publishers. He sees streaming as a blessing because “much more money is being spent by record companies on the discovery and promotion of new talent.” Katz repped Big Machine Label Group in its sale, reportedly for more than \$300 million. Katz also advised Australian concert promoter Frontier Touring in selling a 50% stake to AEG Presents and the employment contract for Randy Goodman to remain head of Sony Music Nashville. Katz is also general counsel to the Recording Academy.



STACY MARCUS

Partner, Entertainment & Media Industry Group, Reed Smith

With high-quality digital video equipment widely available, the New York-based lawyer says that “the definition of ‘celebrity’ has evolved. It now includes YouTubers and people who are not professional performers by training as advertisers are attempting to connect with consumers in an authentic way.” Marcus repped advertisers and advertising agencies in the three-year, \$3 billion commercials contract negotiated in April with SAG-AFTRA. In the past year, she also worked \$58 million in corporate sponsorships and celebrity endorsements, including luxury fragrances, cosmetics and accessories for talent endorsers and a cannabis company tie-in with a rapper.



JONATHAN LEVINE

Music Executive Leadership Group, Paradigm Talent Agency

DALE MORRIS

Founder, Morris Higham Management

Morris sold his decades-old concert touring arm Dale Morris & Associates to Paradigm in November, adding country acts Kenny Chesney and Old Dominion to the agency’s Nashville roster. Levine signed country singer Kacey Musgraves for touring and the Johnny Cash estate for legacy-building. Morris remains at his separate personal management company, Morris Higham Management, though his touring lieutenants, Mike Betterton and Nate Ritches, joined Paradigm. Morris was a songwriter when he quit his pharmaceuticals sales job for music in the 1970s. Morris recalls that in the 1980s, when concert fees for top country acts topped out at \$25,000, he booked venues directly for Alabama generating \$125,000. “Just remember ... if your act sells tickets, you have to do the math,” he says.



ERIK PIECUCH

Senior VP and Team Leader — Entertainment, City National Bank

Piecuch handles bank accounts for half of Broadway’s shows, including “Harry Potter and the Cursed Child,” “Dear Evan Hansen” and eight-time Tony winner “Hadestown.” The New York-based banker finds Broadway an epicenter of two-way traffic for acting talent: Entertainers from other sectors hit the boards, as producers seek “brand names” that sell tickets, while newcomers look to the Great White Way as a launch pad to stardom and eventual career diversification. He also arranged \$20 million in new private banking loans in the past year to individuals and companies in entertainment.



DAVE LOUGEE

President and CEO, TEGNA

Lougee orchestrated nearly \$1.5 billion in broadcasting acquisitions this year that, when consummated, will lift the Tysons, Va.-based company to 62 TV stations reaching 39% of the U.S. In June, TEGNA paid \$77 million for the 85% stake that it didn’t already own of multicasters Justice Network and Quest. Looking at consumer behavior, Lougee feels “what’s kind of lost ... in discussion around cord cutting is there’s actually a lot of cord shaving” as households pull out some cable tuners. Yet, those households are counted as full cable homes though more reliant on over-the-air TV.

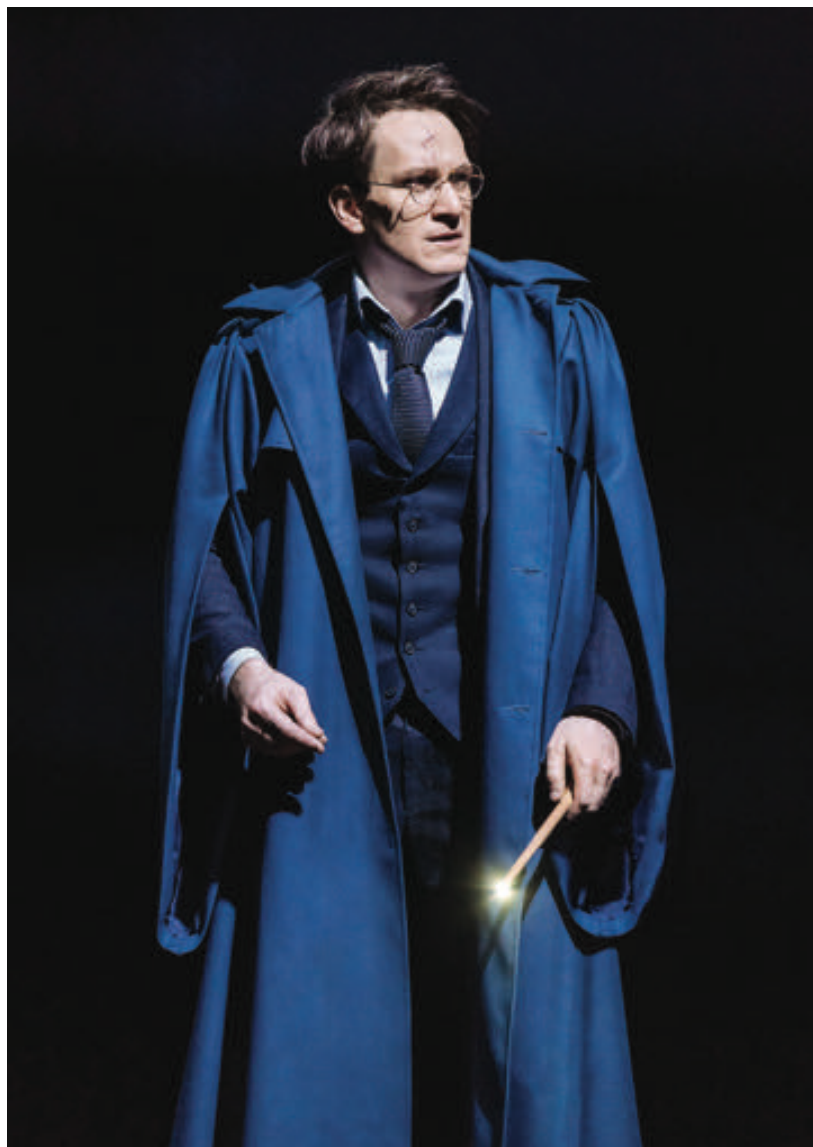
HERITAGE ACT

Jonathan Levine signed the Johnny Cash estate to Paradigm’s Nashville roster.



POT OF GOLD

Eric Piecuch of City National Bank handles accounts for Broadway hits such as “Harry Potter and the Cursed Child.”





TOON TUNES
Jonathan Levine signed Kacey Musgraves, above, to a touring deal with Paradigm. Jess L. Rosen also repped Musgraves for several agreements, including a song on the soundtrack to Disney's "Frozen II," right.



BOB PITTMAN

Chairman and CEO iHeartMedia

New York-based Pittman says legacy media should adopt leading-edge data and analytics to emulate and compete with digital advertising, which is an objective of the Project Listen partnership iHeartMedia unveiled in June with advertising giant WPP. A founder of MTV, Pittman guided the radio broadcaster and its 850-plus stations through a bankruptcy that wrapped in May — emerging with less debt and following that up with a direct stock listing in July. A partnership with live-events streamer LiveX-Live was unveiled in March. Pittman diversified into digital radio streaming, award shows, concerts and podcasting — bolstered by acquiring podcaster Stuff Media, reportedly for \$55 million, a year ago.



SIMON N. PULMAN

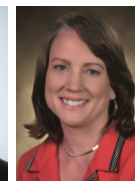
Partner and Co-Chair, Entertainment Practice, Cowan, Debaets, Abrahams & Sheppard

With streaming igniting a Hollywood production boom, Pulman says that "the continued golden age of television allows rights holders to pursue aggressive dealmaking" for usages granted, creative involvement and financial terms. The New York-based lawyer works transactions for Blumhouse Television, including "The Good Lord Bird" at Showtime, and an adaptation of the Atlantic magazine article "The Stolen Kids of Sarah Lawrence" for TV. Pulman also repped writer Nathaniel Rich for his nonfiction book "Losing Earth" for an Apple TV series, and comics house IDW Entertainment for "Locke & Key" and two other Netflix projects. Other clients include Epix and Macmillan Entertainment.



CHRIS RIPLEY

President and CEO



LUCY RUTISHAUSER

Chief Financial Officer
Sinclair Broadcast Group
Entertainment & Media Practice

Sinclair diversified with a flourish, having bought 21 Disney/Fox regional sports networks for roughly \$10 billion in May, and is in a consortium that bought New York's YES sports network last week. Ripley and Rutishauser also engineered the follow-on \$9.6 billion debt offering in four tranches. The Baltimore-based company with 191 stations also inked a regional sports channel alliance with the Chicago Cubs and launched locally focused streamer Stirr. Ripley is jazzed by interactive TV standard ATSC 3.0, which offers "much more in the way of programming choice, VOD assets and targeted advertising; premium subscriber-based content; synchronization; low latency for sporting events; [and] integrated interactive features."



JESS L. ROSEN

Shareholder & Co-Chair, Atlanta
Entertainment & Media Practice,
Greenberg Traurig

Music-maven lawyer Rosen repped Kenny Chesney for his 2020 stadium tour deal, Florida Georgia Line for a multi-year Live Nation concert deal, Lady Antebellum for its Big Machine Records contract, rapper Pusha T.'s multiyear Adidas endorsement and multi-hyphenate Nicolle Galyon in mentoring female artists with her Songs & Daughters imprint and renewing her Warner/Chappell publishing deal. Rosen also handled Kacey Musgraves for an Apple promotional deal, a Christmas TV special for Amazon and a song for the "Frozen 2" soundtrack. Rosen nudges radio and streamers to embrace under-represented female artists as smart business. "It helps if everybody is pushing the right way," he says.



RICHARD SARNOFF

Chairman, Media, Entertainment and Education for Private Equity/Americas, KKR

The New York-based Sarnoff is connected to investments in Epic Games; UFC, as a minority investor in the Endeavor-controlled mixed martial arts sports business; fantasy sports company FanDuel; smart-audio-speaker maker Sonos; spoken-content producer RB Media; and KKR subsidiary Internet Brands' acquisition of WebMD. KKR is elsewhere a consolidator in the German entertainment and media business, after earlier this year acquiring content and media outfit Tele Munchen Group and movie distributor Universum Film.

HOUSE WORK

Marc H. Simon represented the producers of the documentary "Knock Down the House."



LAWRENCE SHIRE

Partner, Head of New Media, Motion Picture, Theater, Publishing and Sports, Grubman Shire Meiselas & Sacks

Shire finds that diverse deal templates proliferate across traditional Hollywood, podcasts, other new media and licensed merchandise. "Each of the forms of media grew up at different times and have evolved differently," he says. Shire repped Bruce Springsteen for his "Western Stars" doc, acquired by Warner Bros.; journalist Gayle King for her "CBS This Morning" deal; rapper Drake for his SiriusXM/Pandora partnership; and Robert De Niro for Netflix's "The Irishman." For client Scott Rudin, the New York-based lawyer handled Broadway productions "To Kill a Mockingbird" and the upcoming "West Side Story" revival. Other clients include LeBron James and Elton John. Corporate clients include Facebook, iHeartMedia and Spotify.



MARC H. SIMON

Vice Chair of Entertainment & Sports Law, Fox Rothschild

In the past, intellectual property fit in obvious Hollywood silos, but Simon notes that media's proliferation blurs lines today so "there's a fork in the road" between scripted and non-scripted avenues for development. Non-scripted can mean quicker to market, though potentially with lower production budgets. The New York-based attorney repped exec producers of the Alexandria Ocasio-Cortez doc "Knock Down the House," acquired by Netflix at Sundance reportedly for \$10 million, and Joe Pesci in big-budget drama "The Irishman." Simon also handles Stacey Reiss as producer of Netflix hit "The Perfection," supermodel Adriana Lima's transition to brand entrepreneur, and Alec Baldwin's El Dorado Pictures.



JOHN STANKEY

CEO, WarnerMedia

Stankey's purview this past year includes preparing to launch HBO Max into the high-stakes global streaming wars, naming Ann Sarnoff the first woman chair and CEO in the history of Warner Bros., and courting top creative talents such as J.J. Abrams ("Star Wars: The Force Awakens") to join the Warner stable. A 34-year veteran of parent AT&T who is based in New York, Stankey sees eventual convergence for disrupter video streaming and traditional linear TV. "Two or three years from now, they're probably going to merge and you'll have a single product that does both," though it likely will tilt more toward on-demand content, he says.

HIT 'MEN'

Lawrence Shire represented Robert De Niro for Martin Scorsese's upcoming Netflix organized crime feature "The Irishman."



KNOCK DOWN THE HOUSE: NETFLIX; SHIRE: DAPHNE BOROWSKI; SIMON: DAVID MICHAEL HOWARTH; THE IRISHMAN: NETFLIX



FINANCIAL 'FATE' Debbie White repped China's Tencent in co-financing deal for the upcoming feature "Terminator: Dark Fate."



POWER PLAY Tim Sweeney led "Fortnite" game maker Epic Games through a billion-dollar round of financing.



TIM SWEENEY

Founder and CEO, Epic Games

Epic's "Fortnite" e-sports tournament in July pulled in 2 million live online viewers, filled a New York-area arena and doled out \$30 million in prize money, reflecting the heights to which Sweeney has led the North Carolina-based video-game maker. In December, Epic's digital store shook up the industry, raising the developers' cut from sales from 70% to 88%, and the company was valued at \$15 billion in an October investment round from KKR, ICONIQ Capital, Smash Ventures, aXiomatic, Vulcan Capital, Kleiner Perkins and Lightspeed Venture Partners. They join earlier investors Tencent, Endeavor and Walt Disney Co. Bloomberg News estimates Sweeney's personal net worth at \$7.2 billion.



MATTHEW SYRKIN

Partner and Global Chair Media, Technology and Commercials Transactions Group, Hughes Hubbard & Reed

Syrkin believes dealmakers need to be savvy in economics and technology, as digital disrupts traditional deal templates. He says that requires smarts in e-commerce, "privacy and data collection, alternative data deals, subscription models and how influencers drive brand presentation, as well as emerging technologies like holograms and augmented reality." The New York-based attorney negotiated Epix's first direct-to-consumer streaming distribution affiliation, with Roku. For luxury brand John Varvatos, Syrkin guided fashion product deals with rock band Led Zeppelin and HBO's "Game of Thrones." Other clients include AMC Networks, Bumble, CBS, Ernst & Young for transactional matters and Madison Square Garden.



DEBBIE WHITE

Partner & Vice Chair, Music Industry Group/Entertainment, Loeb & Loeb

The New York-based lawyer says that music-streaming services' appeal on increased mandatory publishing royalties for music streaming bears watching because the outcome "is going to have a profound effect on the livelihood of songwriters who rely on that income." White reps South Korea's Big Hit Entertainment and its K-pop sensation BTS, including global stadium-tour merchandise with Live Nation. White also leads the team handling China's Tencent, including its co-financing deal on the next "Terminator" movie. Other clients include Christie Brinkley, Melanie Martinez, Regina Spektor, the Who for North America and singer-songwriter James TW. She also handles music and sponsorships for Citibank and Uber.



WESTEROS STYLE Matthew Syrkin repped John Varvatos' deal for fashions based on "Game of Thrones."

TERMINATOR: KERRY BROWN/PARAMOUNT PICTURES; FORTNITE: EPIC GAMES; WHITE: GITTINGS; GAME OF THRONES: HELEN SLOAN/HBO