

Knowing his niche

by Vyvyan Tenorio Posted 03:40 EST, 21, Jan 2005

Michael Huber, managing principal at **Quadrangle Group LLC**, helped craft the New York private equity firm's telecom practice with a measure of prudence.

When former **Lazard** media bankers Steve Rattner, Peter Ezersky, David Tanner and Joshua Steiner left the investment bank in March 2000 to form media and telecom specialist Quadrangle, Huber, who had joined Lazard's media group the year before, followed shortly after. While teaming with Steiner, his senior by a few years, Huber, 36, used his telecom expertise to help steer the firm's \$1.1 billion fund away from the pitfalls of investing in that industry during the bubble.

Despite enormous pressure to pile into competitive local exchange carriers, Quadrangle passed on dozens of proposals, fearing reliance on the capital markets to sustain investments that, however attractive on paper, consumed increasing amounts of capital to get to the cash-flow-positive stage. "A number of people were a little dismissive of our approach and thought it was very old-school," Huber says.

Quadrangle eventually made a couple of picks: NewSouth Communications of Greenville, S.C., which later merged with **NuVox Communications Inc.**, and **US LEC Corp.** of Charlotte, N.C. "Both are doing well," he says.

In some ways, **BellSouth Corp.** determined Huber's fixation with telecom. His father worked for the company for years. The younger Huber also did a two-year stint there after Macalester College. But having grown up in Alabama and after spending four years in the Midwest, he decided to move on. Landing a scholarship to study economics at the University of Madrid, Huber immersed himself in the culture, staying on to work for a Spanish consulting firm where he, not surprisingly, renewed his focus on BellSouth.

After an M.B.A. at the Massachusetts Institute of Technology and a summer interlude at Boston's **Fidelity Capital**, Huber, whose first love is math, shifted to investment banking. He joined Donaldson Lufkin & Jenrette in the mid-'90s and enjoyed its boutique culture. But as DLJ evolved toward the bulge bracket, he felt drawn back to the smaller firm, shifting to Lazard to work with Rattner's group in June 2000.

Besides CLECs, independent local exchange carriers, and wireless on the telecom side, Huber focuses on business-to-business publishing, TV and advertising. He led the firms' partnership with **Havas SA**, which lost to Britain's **WPP Group plc** in last year's failed bid for U.S. advertising rival **Grey Global Group Inc.**, and the recent recapitalization of telecom company **Ntelos Inc.**

Boyish, almost shy, Huber works closely with the four key partners on most major deals. These include the **Sony Corp.** buyout of **Metro-Goldwyn-Mayer Inc.**, the acquisitions of movie theater chain **Cinemark Inc.** and German broadcaster **ProSiebenSat.1 Media AG**, not to mention those that got away.

"ProSieben was certainly the most interesting one for me because it was extraordinarily complex," says Huber, who conducted due diligence through four or five trips to Germany in 2003. But he believes Quadrangle's strong suit is in delving into complex situations. Huber sees himself, and the firm, only getting better with age — V.T.