

Cadwalader Still Top CMBS Law Firm, as Sidley Makes Inroads

Cadwalader Wickersham still dominates the small field of law firms that work on commercial MBS transactions, but **Sidley Austin** has emerged as a stronger challenger this year, especially when it comes to advising underwriters.

During the busiest half since the CMBS market collapsed in mid-2008, Cadwalader was retained as issuer counsel on 43 deals totaling \$31.7 billion from January through June. It also was named as underwriter counsel on 26 transactions adding up to \$14.4 billion, according to **Commercial Mortgage Alert's** CMBS Database.

Sidley remained a distant second among firms serving as issuer counsel. It was retained on eight deals worth \$8.2 billion. But it came closer in the underwriter-counsel rankings, winning 18 assignments. Those transactions totaled \$17.2 billion, exceeding Cadwalader's dollar volume.

Five other firms split up the bulk of the remaining CMBS business. **Kaye Scholer** placed third in both rankings, retained as underwriter counsel on seven transactions and issuer counsel on four deals. The others had 1-4 assignments each. Legal advisors were hired on a total of 59 CMBS deals during the first half, more than double the year-ago tally.

Cadwalader's 44% of underwriter-counsel assignments in the first half reflected a sharp drop from 82% in the same period a year ago. Sidley captured a 31% slice of that first-half business, up from just 7% in the first half of 2012.

In the more lucrative issuer-counsel business, Cadwalader won the mandate on 73% of first-half deals, little changed from about 75% a year ago. Sidley captured 14%, up from 11% a year earlier.

The surge in CMBS issuance meant more opportunities for rivals to chip into the perennial leader's market share. For its part, Cadwalader said it was inevitable that an expanding market would lead to broader participation by law firms and other service providers. "We're all in a better position now, where there is more work to go around," said partner **Michael Gambro**. "We see Sidley, Kaye Scholer and **Dechert** a fair amount now" as counsel for one of the parties on a deal.

As usual, **Freddie Mac** hired Cadwalader to fill both roles on all nine of its multi-family CMBS offerings in the first half, which had \$2.1 billion of unguaranteed bonds. The firm would have dropped to second place in the

underwriter-counsel ranking if not for those agency transactions, but would have been the preeminent issuer counsel even without them.

Gambro and **Patrick Quinn**, another Cadwalader partner, run the firm's capital-markets group. That growing practice encompasses about 80 attorneys worldwide, including 44 dedicated to CMBS.

With the deepest bench of lawyers in the sector by far, the firm benefits from experience and repeat business. "We have great personal relationships with a lot of players, going back many years," Quinn said.

Sidley's rise in the CMBS rankings was partly due to the flood of single-borrower offerings seen earlier this year. Its 12-member CMBS group in New York, lead by partner **Kevin Blauch**, worked on a number of those deals on behalf of the clients of other Sidley lawyers who focus on commercial-mortgage originations — especially Chicago partner **Charles Schrank**.

"For those single-borrower deals, it just makes sense to have the same law firm that originated the loans handle the securitization," Blauch said. ❖

Top Issuer Counsel for US CMBS

	1H-13 No. of Deals	Issuance (\$Mil.)	1H-12 No. of Deals	Issuance (\$Mil.)
1 Cadwalader Wickersham	43	\$31,674.9	21	\$14,370.8
2 Sidley Austin	8	8,186.9	3	2,956.5
3 Kaye Scholer	4	2,409.7	0	0.0
4 Dechert	2	322.2	2	291.5
5 DLA Piper	1	874.9	0	0.0
OTHERS	1	270.0	2	537.0
TOTAL	59	43,738.6	28	18,155.8

Top Underwriter Counsel for US CMBS

	1H-13 No. of Deals	Issuance (\$Mil.)	1H-12 No. of Deals	Issuance (\$Mil.)
1 Cadwalader Wickersham	26	\$14,388.3	23	\$11,775.6
2 Sidley Austin	18	17,244.8	2	2,727.2
3 Kaye Scholer	7	6,555.2	2	2,253.0
4 Mayer Brown	3	2,512.8	0	0.0
5 Dechert	2	1,700.0	0	0.0
5 Cleary Gottlieb	2	1,067.5	1	1,400.0
OTHERS	1	270.0	0	0.0
TOTAL	59	43,738.6	28	18,155.8