A Note to My Younger Self – Part IV

November 15, 2024

By **Angie Batterson**
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Email, email, email. Oh, the emails. I know I have written before about emails, but you can never get enough advice on this pesky, career-ending/career-making companion. It may be hard to believe, but when you start your career in the 90s, there will be email—but no emailing of documents; document distribution will be a manual endeavor. Oh, young associate, how you will toil away in the mail room nightly. Your job will seem oh-so-clerical. You will print redlines, entire redlines, and FAX them. Oh, and that silly curly fax paper that fades, like invisible ink; years later, there will be no words left on the page to read. You will make large FedEx distributions, where each person on a deal will get printouts of each redline along with a nice cover letter. Can you imagine? You will actually write letters to people!

You will then be in a mad rush to beat the FedEx pickup cutoff so that each distribution box is fully assembled and ready to go. You will know the exact pickup time for each box near your office and the last cutoff at the airport FedEx office. God forbid the partner who seems to control your world—and who, if you look up “unsympathetic” in the dictionary (or Google it), you will still find a reference to this person by name—will hear that you missed the cutoff. That could be the end of your career. You will live in constant fear of the dreaded drop-box cutoff times. But alas, once you are done and make the drop, you can go home, sleep, and await the anxious recipients’ receipt of the magic box sometime the next day. The world will be slower. You will meet people in person, in large closing conference rooms. You will bond with your fellow associates, grab drinks once the boxes go out, and celebrate when closings are done. You will have face to face interaction and there will be something nice and humane about the process to offset the insanity of learning as a junior associate in Big Law.

I know you think I’m going to break out with, "and you will walk five miles in the snow to get to work” part, but alas I refuse to become my parents, so I'll spare you that one for later.

Then, along the way, email will take over your existence. One day, people will no longer believe email document distribution is a dangerous, confidentiality-defying nightmare, and your world will change. No more printing, no more fax machines, no more FedEx. Voilà—you will prepare the redline and just hit send! But slow your roll; this will be the most perilous part of your career. You thought the partner was mad when you missed a drop-off time? Wait until you reply-all or send a fee letter to the wrong people. You have no idea! In the words of Ferris Bueller, “Life moves pretty fast. If you don’t stop and look around once in a while, you could miss it.” Truer words were never spoken. For younger readers, if you don’t know this quote, go watch the movie—it’s a legend.

So, here’s the best advice in this age of email: Be careful—very, very careful. Quantity, time, and tone are not your friends. You will be bombarded with hundreds of emails a day. Later, people in power will absurdly think that every time you get an email, you should reply-all with something like, “Received, we are reviewing.” This will take your inbox from an unmanageable 400 emails a day to 800. For what purpose? It’s as if you’re reassuring people your postal carrier is still reliable and deserves a holiday tip! And then, someone on every deal—the one who must have the last word—will reply again with “Thanks, we await your response.” Now you have 900 emails. How is this a thing? I know I’m swimming upstream here; my firm demands this of associates. So, to be clear, the views here are mine alone—not those of my partners or my firm (though I suspect a few folks will agree, if tortured for the truth).

And there are more useless emails you will receive by the hundreds, blocking you from effectively managing your inbox and your world. One of my favorites is the “thank you for thanking me” response. The deal has closed, and the congratulatory emails come flying in. This is nice, right? No one has met in person, no one knows your dog’s Halloween costume, no one knows about the spectacular new shoes you’re wearing, but everyone is happy it’s over and the emails make you feel good about yourself for a brief moment. I mean, don’t get me wrong, you aren’t saving the world here, you are in fact just helping people make money, but again you feel good for a brief moment. And bam—the thank you emails are followed by the infamous “No, thank YOU” email. Thank you for thanking me for thanking you, and on it goes. Up goes the email count again.

Sorry to report that as time marches on, the email count never stops ticking up. Maybe email is an addiction, like being addicted to Pac Man when it first came out, needing another TAB only to find they stopped making it (a true societal travesty) or needing to know who shot J.R. Who knows? But email will become a relentless part of every waking hour that you cannot escape.

Quantity isn't your only email enemy. Time, oh time, where art thou? Email, like all things on the internet, will speed up your life. You will have less time to think and ponder; you will be judged by speed. Speed kills. Practice beating back the need for speed; take a breath and think before replying. What is worse—replying quickly and being wrong, or taking a few minutes to think and being right? It's all about balance. My magic advice: Just think before you send.

And lastly, tone. I have written to you before about the danger of email and that people tend to lose all humanity in their emails. Every word matters. Tone is critical and can make or break you. Some sound too harsh, others too meek; some just sound like the last person you'd want to grab a beer with. You, in particular, may suffer from the illusion that people think you're as funny as you think you are. You will send what you believe are clever emails, only for others to curse your name instead of laugh. Recently, I sent a funny email to someone who said I was wrong. Wrong! Fighting words! So, I replied that I had just seen a plane fly by with a banner I thought said, "[Email friend] is always right." But on second glance, it said, "Christy, will you marry me?" So maybe, my email friend, you're not always right or for sure the plane's banner would have proclaimed it for all to see and believe. (For context, my office overlooks the Hudson, and a plane had just flown by with that banner.) But in the heat of the moment, I replied to all. Some thought it was hysterical; others thought it was snarky. Moral of the story: Tone, tone, tone. Find a balance that exudes professionalism and shows your personality. If you ever do that, write a good self-help book and retire early as I am not sure anyone really has achieved that elusive balance to date. Clearly, I have not or the Tonight Show or SNL would be calling at this point.

I love those who try to show their personality in emails with stock signatures like "Cheers" or "All my best." Really? Your best, for what? "Received, we're reviewing—all my best!" Does this mean anything? Would you speak this way in person? Apologies to anyone and everyone with these taglines. All my best to you, too.

And finally, the nastygram. Don't do it. You'll feel better for 10 seconds, but before you can unsend, you'll regret it. Go tell your dog instead; they're great listeners but don't send the email. You will receive and deliver some great nastygrams over the years: there is no joy in either. It is like yelling at the cab driver when they almost hit you in the cross walk in NYC. The recipient doesn't care what you have to say, nor will your words of excited advice change their behavior or convince them that they were wrong. Nine times out of 10 they will honk their horn at you and give you a universal hand gesture to back up this sentiment. So just resist the urge. Take a breath, and remember: Tone matters! Be kind when you can, and silent when you can't. And in the end, remember: Instead of sending that email, go buy great shoes and move on. When you retire, join Nextdoor or your condo board and battle the real wars of life with all the nastygrams you can think up. But this isn't that time.

Enough on emails; I promise to write again sometime soon. For now, thank you for thanking me for this unsolicited advice. Go check your spam filter, open the shoe ads, and make yet another great purchase—it's what gets us through some days.

Cheers, Chow, All My Best, Regards, Sincerely yours… blah, blah, blah, blah, blah.

Your Younger Self

Finance Forum Recap

November 15, 2024

A record breaking 850 financial industry leaders and professionals from around the country participated in Cadwalader's eighth annual Finance Forum in Charlotte this year. It was great to discuss the latest market trends and opportunities across various sectors. Keep reading for coverage of some of the Finance Forum panels:

The Business of Fund Finance

Leah Edelboim led a panel along with **Mike Mascia**, the Co-Head of Fund Finance at EverBank, and **Adam Zotkow**, the Head of Alternative Markets Group at Goldman Sachs. Here are some key takeaways:

- Fund finance is a field that has seen great growth and innovation, particularly over the last few years.
- Advances in the field are driven by both new entrants in the field and existing lenders who are willing to evolve.
- Now is a very exciting time to be in fund finance, as lenders seek to meet liquidity and investment needs of funds in a complicated fund raising, regulatory, and investment environment.
- After years of discussion, this year, the market saw the first securitization of capital call facilities and the intersection of fund finance and structured products will be an important space to watch.

The New Normal: Fund Finance Market Trends in 2024

Tim Hicks and **Trent Lindsay** led a panel along with **Vicky Du**, the Global Head Fund Finance at Standard Chartered Bank, **Laurie Lawler**, the Managing Director at Société Générale and **Kelly Rocchio**, the Senior Vice President at M&T Bank. Here are some key takeaways:

- Cadwalader is on track to exceed 2023 in the number of fund finance transactions and has already represented more fund finance lenders than in the prior year.
- There has been a decline in the number of sponsors, indicating slower fundraising and the increasing dominance of top sponsors.
- This has been the year of the amendment – there were more extensions relative to new deal origination.
- Commitments to NAV facilities by Cadwalader clients hit an all-time high in 2023 and the past three quarters point towards a strong 2024 as well.
- The length of time from term sheet to closing was a record in 2023. While we don’t have full data from 2024, deals are still dragging, largely due to the pace of fundraising.
- Margin hikes – in 2023, two-thirds of amendments included a margin increase. The equivalent number in 2024 is one-half, with some decreases in the latter half of the year.
- The portion of deals syndicated within 18 months of closing increased in 2023 but declined in 2024. The decline is in part due to the entrance of more middle market lenders doing bilateral deals.
- For similar reasons, the average size of facilities declined in 2024.
- The most striking recent trends are the entrance of alternative lenders and the turn towards securitization in the fund finance market.

NAV Financing: The Path Forward Under Investor and Regulatory Scrutiny

Patrick Calves led a panel along with **Ginny Chiarello**, the Managing Director at Barings, **Derek Dillon**, the Managing Director at Apollo, **Aryeh Landsberg**, the Director at Barclays, and **John Sciales**, the Vice President at Evercore. Here are some key takeaways:

- The NAV financing market has received increased scrutiny over the past year as investors and the legal press have been focused on how sponsors are deploying NAV loans.
- Most of the scrutiny is focused on a single use case where a fund uses NAV loan proceeds to make distributions to its investors.
- However, the large majority of NAV loans are used for different purposes, most of which are to support or expand a fund's investment portfolio (which most investors support).
- NAV Loans will remain a popular financing tool for funds as they are a useful tool for funds to access additional capital and are priced attractively compared to other alternatives.
- Increased communication with and education of investors should help address investor concerns, as well as more familiarity with NAV Loans over time as they become more prevalent in the market.

NAIC Current Updates and Hot Topics

Angie Batterson and **Gregg Jubin** led a panel along with Phil Titolo, the Managing Director at Hunter Point Capital, and Michael Vasseghi, the Head of Insurance Solutions at Morgan Stanley, that focused on recent deals being done by insurance companies in the NAV and Rated Feeder fund space.

The panel discussed the NAIC's original statements regarding capital treatment for various insurance company financing structures and how those statements led to a slowdown of deals being done in 2023. After clarifying guidance from the NAIC, a sort of rules of the road playbook, in March of 2024, deal flow has seen a significant uptick. The panel seemed to agree that deals, be they NAV or Rated Feeders, that are secured by pools of private credit fund loans are most certainly the safest bet for good capital treatment outcomes as they model with sufficient streams of ongoing principal and interest payments to service the debt of the issuer. There were further discussion around deals in the market recently that include a mix of private credit assets and private equity assets such that the private credit assets could send up cash to the service the debt from day one, leaving a little breathing room for the cash flow uncertainties stemming from distributions on the private equity side which are more lumpy in nature. While no one can predict the correct mix of those assets which will work for the NAIC, everyone agreed that current deals in the market are ranging from the 35-50% if private credit fund assets.

The panel also discussed the possible outcomes of future NAIC rulings on deal structures that may or may not occur commencing in 2025 and beyond. While there was unanimous consensus that no one has a crystal ball, all of the panel believes no matter the results the industry will shift and adapt to accommodate both the NAIC's concerns and that insurance money investments in structured products to private equity are here to stay.

PLI Fund Finance 2024

November 15, 2024

Partner Leah Edelboim will be speaking at PLI's Fund Finance 2024 program on Wednesday, November 20.

Leah will be on a panel titled "*Subscription Lines and Capital Call Facilities*," which will cover current topics in subscription lines, cascading pledges and other common transaction structures, and key legal issues.

Learn more **here**.

Celebrating Our Newly Renovated New York Office

November 15, 2024

We were thrilled to celebrate the grand opening of our fully renovated global headquarters in the heart of Lower Manhattan with you this week!

Our New York office now stands as a modern and sophisticated space, reflecting our commitment to sustainability, technology, and innovation—hallmarks of our dedication to excellence for our clients, our people, and the practice of law.

Thank you to everyone who joined us in marking this exciting new chapter in our 230-year history in New York City!

Next Week – WFF Americas: Learning and Career Forum

November 15, 2024

Women in Fund Finance is excited to invite you to the inaugural WFF Learning and Career Forum!

The event is taking place on November 20, 2024 in New York, New York at the offices of Mayer Brown.

You can see the full agenda **here**.

You can see the full speakers list **here**.

Fund Finance Hiring

November 15, 2024

Fund Finance Hiring

Here is who's hiring in Fund Finance:

East West Bank is currently seeking a SVP - Relationship Manager for our Private Equity business in the Eastern U.S. This individual will work with the Managing Director and other relationship team members in sourcing new business, structuring and underwriting loans, and managing relationships with a variety of private capital firms. Learn more **here**.

Cadwalader, Wickersham & Taft LLP is seeking a Private Fund/Debt Financing Associate Attorney with at least three years of experience working on transactions that provide debt financing solutions for fund sponsors and fund investors, including collateralized fund obligations, rated note feeders and NAV facilities. This position will work across all three of Cadwalader's US offices, and candidates can sit in Charlotte, NC, New York, NY, or Washington, DC. Learn more **here**.

Cadwalader, Wickersham & Taft LLP is seeking a Securitization/Structured Finance Associate with a minimum of three years of substantial experience in securitization, structured finance, structured products, corporate and/or real estate. CLO, CMBS, Repo and other ABL finance experience is also a plus, but not required. Candidates must have excellent academic credentials and solid law firm work experience. Learn more **here**.

MUTB-NY is seeking an Account Officer - Fund Finance, Manager or AVP in its New York office. This role will support the team in structuring and managing fund finance transactions, which includes the enhancement of various processes and tools, e.g. validation models, policies and procedures, internal and external processes, and other items necessary for fund financing operation. Learn more **here**.

MUFG Bank is seeking an Vice President to join its EMEA Fund Financing Credit team in London, United Kingdom. The VP will play a crucial role in managing credit risk across a diverse portfolio of fund finance transactions, including Subscription Finance, NAV Finance, Hybrid facilities, and Fund FX. Learn more **here**.

East West Bank is seeking an SVP - Relationship Manager. This individual will work with the Managing Director and other relationship team members in sourcing new business, structuring and underwriting loans, and managing relationships with a variety of private capital firms. Learn more and apply **here**.