

Stuart Goldstein

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Mortgage Observer Weekly: How did you come into your current role at Cadwalader?

Stuart Goldstein: I have been lucky that, in many ways, the various stages of my career have aligned with significant developments in the structured products and real estate industries. I came to Cadwalader in the early '90s, just as the commercial real estate industry was beginning its upswing after several tough years. This upswing coincided with the development of the CMBS industry, and as a junior associate, I was lucky to have the opportunity to work on developing these innovative products. Throughout my career at Cadwalader, the firm and its attorneys have continued to work with sophisticated clients who are on the cutting edge of the industry. Now, following the credit crisis, I am fortunate to have retained great clients who I can work with to help innovate new products, such as NPL deals and CRE CLOs, as well as developing CMBS 2.0.

What is your biggest accomplishment so far with the firm?

The credit crisis was a very challenging time for the entire securitization and structured products industries, and Cadwalader was not immune to the overall slowdown in the industry. That said, I am extremely proud of the counsel we were able to provide our clients to guide them

through the challenges of the credit crisis. Across the entire practice, Cadwalader attorneys worked very hard throughout the crisis, and I am very pleased that we emerged from it with as vibrant and deep of a practice as before.

What is one notable deal you worked on in the past 12 months that you can discuss?

Cadwalader recently served as issuer's counsel to Arbor Realty Trust, Inc., a publicly traded REIT, on its CRE CLO. In the transaction, the co-issuers, which Cadwalader represented, issued new securities to finance the purchase of a portfolio of commercial mortgage loans—some of which were purchased on the closing date and the remaining to be acquired during a 90-day ramp-up period. Additionally, asset reinvestment was permitted under certain limited circumstances.

What are your biggest concerns when you look at the current regulatory changes taking place in Washington?

My first concern is the "law of unintended consequences" when it comes to new regulation. Any changes to regulation must be done with surgical precision, and I believe some of the new regulations, while well intentioned, are quite broad and may ultimately lead to unintended consequences, which could have severe consequences on the availability of credit and the credit markets. The second challenge I see is a lack of coordination between the administration, Congress and regulators with regards to the various regulations being promulgated, such that you're giving with one hand and taking away with another.

What other major trends are you seeing as they relate to commercial real estate finance?

Three in particular come to mind: the continued development of commercial real estate CLOs, including nonstatic or revolving CRE CLOs, higher leverage points with respect to debt or capital stacks, and the use of CRE finance in connection with corporate restructuring, recapitalization or IPOs. The recent Hilton transaction, where the company refinanced its real estate holdings, was an example of this. **MOW**