

Cadwalader Takes CMBS Counsel Ranking Crown Yet Again

Cadwalader Wickersham maintained its dominant position among law firms advising on commercial mortgage securitizations in the U.S. last year, winning the issuer-counsel title for nonagency CMBS and agency deals and tying with Dechert in the CRE CLO race.

In the nonagency CMBS market, Cadwalader served as issuer counsel on 44 of the 81 deals that priced in 2022, or 54% of the total. Issuance last year plunged to \$70.23 billion from a post-financial crisis record of \$110.56 billion, according to Commercial Mortgage Alert's CMBS Database. Cadwalader has led that league table every year since 2000.

Sidley Austin took second place with 17 deals, and Orrick Herrington, which tends to track the fortunes of its largest client in the space, Citigroup, was third with 16. Dechert was fourth with three deals.

Cadwalader also was first in the race for underwriter counsel with 35 deals, pushing Sidley to second, with 32 offerings. Dechert (10), Orrick (three) and Mayer Brown (one) rounded out the rest of the field.

In the CRE CLO market, Dechert and Cadwalader each managed 11 issuer-counsel assignments, followed by Sidley (four), Mayer (three) and Polsinelli (one). In the underwriter-assignments category, Dechert was first with 12, edging out Cadwalader (11) and Sidley (seven).

Cadwalader continued to dominate the issuer-counsel competition in the agency market, where it was the only law firm hired by Freddie Mac. Cadwalader earned credit for 68 agency deals — Freddie's K-deal production also fell from 2021 — while Cleary Gottlieb finished second after serving as issuer counsel on 64 Ginnie Mae securitizations. Morgan Lewis was third (26 Ginnie deals), followed by Katten Muchin (16 Fannie deals) and Orrick (four Ginnie deals). Sixth-place K&L Gates served on one Ginnie deal.

Among law firms advising underwriters of agency deals, Cleary topped the table with 76 assignments from all three agencies, while Cadwalader was second (69 Freddie transactions) and Morgan was third (29 deals). Orrick and K&L received credit for five and three deals.



Although not captured by the CMBS Database, Dechert also served as loan-seller counsel on 63 Freddie K and small-balance deals, as well as four of five Q deals, according to Devin Swaney, a partner in the firm's global finance practice. In 31 cases, it also prepared securitization documents.

Dechert also topped the issuer counsel table for single-family rental deals, where production fell to \$12 billion last year from \$16.9 billion the year before, according to a separate database maintained by sister publication Asset-Backed Alert. Dechert had 14 assignments, followed by Sidley (three) and

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Mayer (three). On the underwriter-counsel side, **Dentons** and **Sidley** each grabbed nine assignments, while **Dechert** had four.

Michael Gambro, who co-heads Cadwalader's capital-markets practice with **Stuart Goldstein**, said the firm continued to get a significant share of CMBS work despite the sharp slowdown in the second half. Cadwalader's CMBS attorneys supplement that work by advising clients on distressed properties and also assisting other parts of the firm on large projects.

"We have seen every cycle in this business," Gambro said. "The ability to help people when you have seen what works and what doesn't is a real advantage."

He said issuance could pick up in the second half as market players, including real estate owners, get a better handle on where interest rates are headed and whether a recession is looming.

Sidley partners **Jonathan Nunes** and **Robert Kao** said the firm has been busy helping clients work out distressed assets on legacy transactions and advancing innovations such as conduit deals backed by five-year loans.

"Despite the slowdown in new issue volume, we have been very busy counseling clients on legacy transactions and in particular have been drawing on our firm's deep expertise in workouts, restructurings and bankruptcy," Nunes said. "This is not high-volume, high-leverage work, but it is higher value-add for clients working through a challenging environment."

Janet Barbieri, a partner in Orrick's CMBS group, said that

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Issuer Counsel For CMBS

	2022		2021	
	No. of Deals	Issuance (\$Mil.)	No. of Deals	Issuance (\$Mil.)
1 Cadwalader Wickersham	44	\$30,225.4	81	\$62,057.3
2 Sidley Austin	17	16,828.2	37	24,011.1
3 Orrick Herrington	16	19,021.3	18	21,467.6
4 Dechert	3	3,879.4	6	3,020.7
5 Clifford Chance	1	276.8	0	0.0
TOTAL	81	70,231.1	142	110,556.7

Underwriter Counsel For CMBS

	2022		2021	
	No. of Deals	Issuance (\$Mil.)	No. of Deals	Issuance (\$Mil.)
1 Cadwalader Wickersham	35	\$25,658.3	51	\$30,510.1
2 Sidley Austin	32	35,002.8	67	63,512.5
3 Dechert	10	7,815.9	14	9,590.5
4 Orrick Herrington	3	1,477.2	9	6,608.7
5 Mayer Brown	1	276.8	0	0.0
Katten Muchin	0	0.0	1	335.0
TOTAL	81	70,231.1	142	110,556.7

Issuer Counsel For CRE CLOs

	2022		2021	
	No. of Deals	Issuance (\$Mil.)	No. of Deals	Issuance (\$Mil.)
1 Dechert	11	\$12,619.3	17	\$17,445.7
1 Cadwalader Wickersham	11	8,316.0	19	14,201.0
3 Sidley Austin	4	5,714.9	10	9,445.0
4 Mayer Brown	3	2,749.3	3	2,208.6
5 Polsinelli	1	901.9	2	2,136.5
TOTAL	30	30,301.5	51	45,436.7

Underwriter Counsel For CRE CLOs

	2022		2021	
	No. of Deals	Issuance (\$Mil.)	No. of Deals	Issuance (\$Mil.)
1 Dechert	12	\$9,932.2	14	\$11,134.0
2 Cadwalader Wickersham	11	14,645.7	24	23,869.1
3 Sidley Austin	7	5,723.6	12	9,922.9
Mayer Brown	0	0.0	1	510.7
TOTAL	30	30,301.5	51	45,436.7

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with borrowers unwilling to lock in 10-year, fixed-rate loans at current pricing and hamstrung by the high cost of interest-rate caps in the floating-rate market, things could be slow, at least until interest rates settle.

“I don’t think it will be dead in the first half,” she said. “There will be a few standard conduits on the smaller side, a couple more backed by five-year loans, and some [single-borrower] deals where borrowers decide to move forward, but none of us will be working around the clock in the short term.”

In the CLO market, where a promising early start to the year dissolved after bond spreads widened sharply and borrowers pulled back, lawyers said there was a lot of work helping clients ride out the storm.

“Notwithstanding the CRE CLO market slowing significantly, we continue to work with issuer clients to not only manage their existing pools and deals but to think through alternative financing strategies,” said **Stewart McQueen**, a Dechert partner focused on commercial real estate securitization and warehouse lending.

Specifically, he said, the firm represented issuers in placing loan pools privately with a small number of investors, structures sometimes referred to as private CLOs, and he expects that market will continue to be active until capital markets settle.

“The reality is our phones don’t stop ringing even if there is not as much issuance,” said Cadwalader’s Goldstein. “In commercial real estate lending, particularly the bridge-loan space, clients are trying to find solutions. We’ve done a lot of work

Issuer Counsel For Agency CMBS

	Fannie No. of Deals	Freddie No. of Deals	Ginnie No. of Deals	2022 No. of Deals	2022 Total (\$Mil.)	2021 No. of Deals	2021 Total (\$Mil.)
1 Cadwalader Wickersham	0	68	0	68	\$52,434.3	81	\$69,282.4
2 Cleary Gottlieb	0	0	64	64	14,918.6	68	23,654.6
3 Morgan Lewis	0	0	26	26	7,889.7	42	20,713.1
4 Katten Muchin	16	0	0	16	9,369.0	27	13,727.5
5 Orrick Herrington	0	0	4	4	1,326.0	5	1,242.7
6 K&L Gates	0	0	1	1	151.7	0	0.0
(None)	0	3	0	3	760.4	6	1,019.7
TOTAL	16	71	95	182	86,849.6	229	129,640.2

Underwriter Counsel For Agency CMBS

	Fannie No. of Deals	Freddie No. of Deals	Ginnie No. of Deals	2022 No. of Deals	2022 Total (\$Mil.)	2021 No. of Deals	2021 Total (\$Mil.)
1 Cleary Gottlieb	10	2	64	76	\$22,192.4	82	\$29,143.4
2 Cadwalader Wickersham	0	69	0	69	52,527.1	82	69,385.3
3 Morgan Lewis	3	0	26	29	9,384.0	56	26,985.0
4 Orrick Herrington	1	0	4	5	2,106.7	7	3,105.3
5 K&L Gates	2	0	1	3	639.4	1	305.8
Dechert	0	0	0	0	0.0	1	715.4
TOTAL	16	71	95	182	86,849.6	229	129,640.2

on bespoke transactions, one-off novel transactions to allow people to refinance assets, sell assets, as well as restructurings and workouts.”

Lawyers also said they fully expect the market to boom again in the second half after markets calm down.

Steve Kolyer, who leads the CRE CLO practice at Sidley, said market dislocation caused the postponement of a lengthy pipeline of transactions the firm was working on last year.

“I would expect, in most cases, for those names to reemerge,” he said. “We hear discussion of it as a timing question of when key financing variables will stabilize enough to support more bridge lending and CRE CLOs moving forward.” ❖