

RANKINGS

Cadwalader, Sidley Lead CMBS League Table as CLO Race Tightens

Cadwalader Wickersham retained its place as the top legal advisor to commercial MBS issuers in the first half, while **Sidley Austin** moved up to first in the underwriter-counsel ranking.

Law firms saw business rebound sharply as the pandemic subsided and private-label issuers returned to work, pressing out 59 deals in the first half, well ahead of last year's sluggish pace, and tacking on another 24 commercial real estate CLO offerings.

Cadwalader won the more-coveted role as issuer counsel on 37 CMBS transactions, according to **Commercial Mortgage Alert's** CMBS Database. Sidley took 15, and **Orrick Herrington** nabbed six. The three firms finished in the same order that they ended last year.

Sidley handled 29 assignments as underwriter counsel to

Cadwalader's 21, and **Dechert** claimed five.

With the mortgage agencies continuing to run hot, Cadwalader was first again in issuer counsel assignments, grabbing 41 of 45 deals from **Freddie Mac**, while **Cleary Gottlieb** took second on the strength of 35 assignments from **Ginnie Mac**. **Morgan Lewis** was third with 23 Ginnie assignments, and **Katten Muchin** fourth with all 17 **Fannie Mae** deals.

In the increasingly competitive and busy CRE CLO market, Cadwalader edged Dechert out of its typical place atop the ranking of issuer counsels — nine deals to eight — although Dechert's deals were larger. Sidley roared back with five assignments after winning none last year.

Michael Gambro, who co-heads Cadwalader's capital-markets practice with **Stuart Goldstein**, said the firm recently has

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Issuer Counsels for CMBS

	1H-21		1H-20	
	No. of Deals	Issuance (\$Mil.)	No. of Deals	Issuance (\$Mil.)
1 Cadwalader Wickersham	37	\$28,783.1	26	\$14,829.1
2 Sidley Austin	15	8,879.6	10	7,765.4
3 Orrick Herrington	6	7,114.8	4	5,453.5
4 Dechert	1	944.0	1	400.1
OTHERS	0	0.0	1	229.0
TOTAL	59	45,721.5	42	28,677.2

Underwriter Counsels for CMBS

	1H-21		1H-20	
	No. of Deals	Issuance (\$Mil.)	No. of Deals	Issuance (\$Mil.)
1 Sidley Austin	29	\$25,855.8	18	\$13,857.0
2 Cadwalader Wickersham	21	13,707.2	18	10,060.0
3 Dechert	5	3,771.2	3	2,306.4
4 Orrick Herrington	3	2,052.4	2	2,224.7
5 Katten Muchin	1	335.0	1	229.0
TOTAL	59	45,721.5	42	28,677.2

Issuer Counsels for CRE CLOs

	1H-21		1H-20	
	No. of Deals	Issuance (\$Mil.)	No. of Deals	Issuance (\$Mil.)
1 Cadwalader Wickersham	9	\$6,894.6	1	\$800.0
2 Dechert	8	8,054.5	6	4,418.9
3 Sidley Austin	5	3,725.0	0	0.0
4 Polsinelli	1	1,002.0	0	0.0
4 Mayer Brown	1	628.9	1	405.3
TOTAL	24	20,304.9	8	5,624.2

Underwriter Counsels for CRE CLOs

	1H-21		1H-20	
	No. of Deals	Issuance (\$Mil.)	No. of Deals	Issuance (\$Mil.)
1 Cadwalader Wickersham	12	\$10,533.3	5	\$3,868.9
2 Dechert	7	5,383.9	0	0.0
3 Sidley Austin	4	3,877.0	3	1,755.3
4 Mayer Brown	1	510.7	0	0.0
TOTAL	24	20,304.9	8	5,624.2

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hired more than two dozen structured-finance associates to keep up with the increased business.

“There is definitely a rebound from the terrible year of 2020,” he said. “The name of the game currently is single-borrower deals, but with the risk of rising interest rates looming, we hope to see a rebound in conduit deals soon.”

Sidley partners **Jonathan Nunes** and **Rob Kao** said the practice has continued to expand to include increasingly complex commercial real estate-related securitizations.

“In addition to the uptick in conduit and [single-asset, single-borrower] volume, we’re continuing to see activity from clients of our insurance and private-equity groups who are increasingly looking to the capital markets to manage their financial asset positions, including CRE,” Nunes said.

Janet Barbieri, a partner in Orrick’s CMBS group, which also includes partners **William “Butch” Cullen** and **Bola Oloko**, said the wave of single-borrower deals that hit the market this year has kept firms busy.

“Things are definitely coming back,” she said. “There were certain property types, like hospitality, that were a hard sell last year, but even those are increasingly showing up in recent deals. We expect growth in both conduit and [single-borrower] deal volume over the next few months, and Orrick plans on hiring additional structured-finance associates as a result.”

In the agency market, Cleary Gottlieb’s hold on Ginnie offerings, combined with a handful of deals from Freddie and Fannie, was enough to again take the top spot for underwriter counsel with 42 deals, ahead of Cadwalader (41) and Morgan Lewis (35).

In the CRE CLO market, where production roared back to a record-setting pace of 24 deals, competition was once again fierce. Cadwalader was first in both issuer and underwriter categories for the first time, snagging nine deals totaling \$6.9 billion as issuer counsel and 12 deals totaling \$10.5 billion as underwriter counsel.

Dechert was a close second in the issuer-counsel race, with eight deals totaling \$8.1 billion, after dominating the category last year. It also moved up to second in underwriter counsel with seven deals totaling \$5.4 billion.

“We have deals in the hopper now that want to price before

Issuer Counsels for Agency CMBS

	Fannie No. of Deals	Freddie No. of Deals	Ginnie No. of Deals	1H-21 No. of Deals	1H-21 Total (\$Mil.)	1H-20 No. of Deals	1H-20 Total (\$Mil.)
1 Cadwalader Wickersham	0	41	0	41	\$38,036.1	26	\$21,784.4
2 Cleary Gottlieb	0	0	35	35	13,796.9	28	6,889.9
3 Morgan Lewis	0	0	23	23	13,519.4	23	6,359.6
4 Katten Muchin	17	0	0	17	9,237.0	31	15,762.8
5 Orrick Herrington	0	0	2	2	550.9	0	0.0
OTHERS	0	4	0	4	761.8	0	0.0
TOTAL	17	45	60	122	75,902.1	108	50,796.7

Underwriter Counsels for Agency CMBS

	Fannie No. of Deals	Freddie No. of Deals	Ginnie No. of Deals	1H-21 No. of Deals	1H-21 Total (\$Mil.)	1H-20 No. of Deals	1H-20 Total (\$Mil.)
1 Cleary Gottlieb	5	2	35	42	\$17,184.0	45	\$15,936.1
2 Cadwalader Wickersham	0	41	0	41	38,036.1	26	21,784.4
3 Morgan Lewis	10	2	23	35	18,349.4	31	11,152.0
4 Orrick Herrington	1	0	2	3	1,617.2	6	1,924.2
5 Dechert	1	0	0	1	715.4	0	0.0
TOTAL	17	45	60	122	75,902.1	108	50,796.7

Labor Day and that, historically, is remarkable,” said **Richard Jones**, who leads Dechert’s CLO practice. “While we would never turn away a core client on an important securitization, we have had to get mighty judicious in what we take on around the practice as the pace remains blistering.”

Sidley placed third with five issuer-counsel assignments, followed by **Polsinelli** and **Mayer Brown** with one apiece. Sidley also was third as underwriter counsel with four deals.

Steven Kolyer, who leads the CRE CLO practice for Sidley, noted that his firm was on most July deals and expects to stay busy in the fall.

“The strong volume of transitional properties and pre- and post-Covid bridge loans, along with a deepening capital-markets funding capacity, have spurred an expanded volume of CRE CLOs,” he said. “We are seeing larger ramp-ups and overall deal sizes, and more frequent expected issuances.”

Cadwalader’s Goldstein said the firm’s deep CMBS experience and bench are paying dividends as the CRE CLO market booms and attracts new entrants and investors.

“Last year was an extraordinary year, and the transaction flow was definitely hit hard by Covid,” he said. “We were working with a number of issuers, many of which were first-time issuers whose deals just didn’t happen, although those aren’t necessarily the same deals we are doing now. The asset class is really coming into its own ... and we are expecting a very robust pipeline of repeat issuers and new issuers.” ❖