

## Cadwalader Stays Far Ahead of the Field of Legal Advisors

Commercial MBS issuers again hired **Cadwalader Wickersham** as their legal advisor more often than not last year, while underwriters split their assignments almost evenly between that firm and Sidley Austin.

As the annual number of private-label offerings remained virtually flat at 122, Cadwalader won the more-coveted role as issuer counsel 76 times, according to **Commercial Mortgage Alert's** CMBS Database. That gave it a 62% share of the year's deal count, up from 57% in 2017.

The other six firms that landed such assignments last year trailed far behind, and only three of them worked on more than one deal. Sidley ranked second again, counseling issuers on 28

of the 2018 deals, down from 34 the year before. Third-place Orrick Herrington worked on 11 transactions and Dechert handled four, as each remained in the same position — with the same deal count — as the year before.

By a much smaller margin, Cadwalader also topped the list of advisors to CMBS underwriters, filling that role on 51 private-label offerings in 2018, up from 47 the previous year. Its share of that business rose to 42%, from 39%. Sidley, the previous year's leader, fell to second place as its deal count dropped to 49 from 55.

The other two main contenders for underwriter-counsel mandates made inroads last year. Dechert nabbed the No. 3 spot again with 12 deals (up from nine), while Orrick repeated in

See LEGAL on Page 2

### Issuer Counsels for CMBS

	2018 No. of Deals	Issuance (\$Mil.)	2017 No. of Deals	Issuance (\$Mil.)
1 Cadwalader Wickersham	76	\$46,871.7	69	\$50,453.4
2 Sidley Austin	28	17,257.6	34	25,143.8
3 Orrick Herrington	11	10,730.7	11	9,346.9
4 Dechert	4	1,195.5	4	999.7
5 DLA Piper	1	626.0	0	0.0
5 Clifford Chance	1	165.0	0	0.0
5 Polsinelli	1	132.3	0	0.0
OTHERS	0	0.0	3	1,868.6
<b>TOTAL</b>	<b>122</b>	<b>76,978.8</b>	<b>121</b>	<b>87,812.4</b>

### Underwriter Counsels for CMBS

	2018 No. of Deals	Issuance (\$Mil.)	2017 No. of Deals	Issuance (\$Mil.)
1 Cadwalader Wickersham	51	\$30,109.5	47	\$29,423.2
2 Sidley Austin	49	33,091.5	55	45,440.6
3 Dechert	12	8,190.5	9	4,639.0
4 Orrick Herrington	7	3,843.5	6	4,537.1
5 Dentons	2	1,578.9	2	1,660.1
6 Mayer Brown	1	165.0	2	2,112.4
<b>TOTAL</b>	<b>122</b>	<b>76,978.8</b>	<b>121</b>	<b>87,812.4</b>

### Issuer Counsels for CRE CLOs

	2018 No. of Deals	Issuance (\$Mil.)	2017 No. of Deals	Issuance (\$Mil.)
1 Dechert	11	\$6,795.2	4	\$2,042.0
2 Clifford Chance	5	2,852.6	3	1,194.2
2 Cadwalader Wickersham	5	2,518.9	6	2,383.4
4 Mayer Brown	3	1,108.7	1	243.8
5 Sidley Austin	1	600.0	0	0.0
OTHERS	0	0.0	4	1,821.7
<b>TOTAL</b>	<b>25</b>	<b>13,875.4</b>	<b>18</b>	<b>7,685.1</b>

### Underwriter Counsels for CRE CLOs

	2018 No. of Deals	Issuance (\$Mil.)	2017 No. of Deals	Issuance (\$Mil.)
1 Cadwalader Wickersham	16	\$9,708.2	7	\$3,145.1
2 Clifford Chance	5	1,798.4	4	1,411.1
3 Dechert	2	1,348.8	4	2,017.6
4 Mayer Brown	1	600.0	1	351.0
4 Sidley Austin	1	420.0	1	418.1
OTHERS	0	0.0	1	342.4
<b>TOTAL</b>	<b>25</b>	<b>13,875.4</b>	<b>18</b>	<b>7,685.1</b>

**Legal ... From Page 1**

fourth place with seven (up from six).

Commercial Mortgage Alert last year introduced separate league tables for agency CMBS and commercial real estate CLOs. Previously, the unguaranteed junior portions of Freddie Mac transactions were included in the private-label CMBS rankings. Last year saw 166 Fannie Mae, Freddie and Ginnie Mae offerings floated, down from 171 in 2017. The CLO deal count rose to 25, from 18.

Cadwalader placed first again last year as both issuer and underwriter counsel on agency deals, while also continuing to dominate the small field of law firms that advised CLO underwriters. But Dechert emerged as the go-to firm for CLO issuers — pushing Cadwalader down to a second-place tie with Clifford Chance.

The volume of non-agency CMBS issuance is widely projected to level off or decline this year. Even so, there should still be a substantial volume of fresh offerings — especially in the single-borrower sector, industry attorneys said. Meanwhile, agency issuance is expected to remain strong this year and the CLO market is poised to keep expanding rapidly.

“There is still a lot of money out there to make loans, and the bankers in this space anticipate that CRE CLO spreads will continue to move tighter for the next few months,” said Dechert partner Rick Jones. That’s likely to prompt more issuance, he said, while noting that a large number of active bridge lenders

have yet to tap the CLO market. What’s more, “I expect to see more of the major banks make an effort to enter the space as arrangers and underwriters this year,” Jones said. He and partner David Forti co-head Dechert’s finance and real estate practice.

“Unless market conditions become adverse, sponsors that issued CRE CLOs last year will likely issue again, while others are looking to become first-time CRE CLO issuers,” said Sidley partner Steven Kolyer. He moved over on Dec. 27 from Clifford, after overseeing all of that firm’s work on such securitizations last year. That puts Sidley in a good position to boost its share of legal advisory work in the sector. “We are heading into that area in a big way,” said partner Kevin Blauch, who heads Sidley’s global finance group.

In addition to the potential for growth, CLOs represent “an interesting and exciting opportunity for law firms” because the legal structures are still developing and require expertise in different areas of law, structured finance and commercial real estate, said Cadwalader partner **Stuart Goldstein**, who along with partner **Michael Gambro** runs the firm’s global capital-markets practice. “We’re spending a lot of time with our clients, improving the structures from deal to deal,” Goldstein added. “Each innovation requires us to think about the additional levels of complexities that are presented, from both an economic and a legal perspective.”

Dechert advised the issuers on 11 of last year’s 25 CLO offerings, up from four of the 18 issues in 2017. Sharing second place with five deals each were Clifford (up from three in 2017) and Cadwalader (down from six). Cadwalader was hired by the underwriters to work on 16 of last year’s CLOs. It was followed by Clifford with five mandates and Dechert with two.

As for agency deals, last year’s tally encompassed 78 Freddie offerings, 73 backed by Ginnie loans and 15 Fannie issues. Cadwalader led the issuer-counsel and underwriter-counsel rankings for agency deals because Freddie has long relied exclusively on it to handle both roles on its “K,” “SB” and “Q” series of multi-family transactions. Dechert noted that it served as loan-seller counsel on all of those Freddie deals and prepared the offering documents on 29 of them.

Cleary Gottlieb ranked second and Morgan Lewis snared third place in both categories of the agency-advisor rankings, largely because most of the Ginnie deals were split between them. Katten Muchin placed fourth among issuer counsel by filling that role on all 15 Fannie transactions. ❖

**Issuer Counsels for Agency CMBS**

	Fannie No. of Deals	Freddie No. of Deals	Ginnie No. of Deals	2018 No. of Deals	2018 Total (\$Mil.)	2017 No. of Deals	2017 Total (\$Mil.)
1 Cadwalader Wickersham	0	78	0	78	\$69,543.5	76	\$62,955.6
2 Cleary Gottlieb	0	0	41	41	8,043.3	49	10,033.0
3 Morgan Lewis	0	0	27	27	6,964.2	24	7,775.2
4 Katten Muchin	15	0	0	15	9,678.0	15	13,134.8
5 Orrick Herrington	0	0	4	4	838.2	4	801.8
6 K&L Gates	0	0	1	1	228.3	1	230.6
OTHERS	0	0	0	0	0.0	2	171.3
<b>TOTAL</b>	<b>15</b>	<b>78</b>	<b>73</b>	<b>166</b>	<b>95,295.6</b>	<b>171</b>	<b>95,102.3</b>

**Underwriter Counsels for Agency CMBS**

	Fannie No. of Deals	Freddie No. of Deals	Ginnie No. of Deals	2018 No. of Deals	2018 Total (\$Mil.)	2017 No. of Deals	2017 Total (\$Mil.)
1 Cadwalader Wickersham	0	78	0	78	\$69,543.5	76	\$62,955.6
2 Cleary Gottlieb	5	0	41	46	10,986.1	55	14,400.5
3 Morgan Lewis	7	0	27	34	11,553.8	30	13,762.2
4 Orrick Herrington	1	0	4	5	1,742.7	5	1,704.1
5 Dechert	2	0	0	2	1,241.1	3	2,028.7
6 K&L Gates	0	0	1	1	228.3	1	230.6
OTHERS	0	0	0	0	0.0	1	20.6
<b>TOTAL</b>	<b>15</b>	<b>78</b>	<b>73</b>	<b>166</b>	<b>95,295.6</b>	<b>171</b>	<b>95,102.3</b>