

Cadwalader Continues to Dominate CMBS Law-Firm Rankings

Cadwalader Wickersham advised issuers and underwriters on the vast majority of commercial MBS offerings in the first half, reinforcing its longtime position as the market's most-active law firm.

As U.S. deal volume topped \$17 billion at midyear — up from \$11.6 billion for all of 2010 — Cadwalader served as issuer's counsel on 16 of the 20 transactions brought to market, according to **Commercial Mortgage Alert's** CMBS Database. It also acted as underwriter's counsel for 13 of the first-half offerings (see accompanying rankings).

Only four other firms worked on new issues in the first half. **Sidley Austin** placed a distant second in both rankings by handling three deals apiece for issuers and underwriters. Next up was **Kaye Scholer**, which logged one assignment as issuer's counsel and two as underwriter's counsel. **Dechert** and **Cleary Gottlieb** each handled one deal, as underwriter's counsel.

Cadwalader, which long dominated the law-firm rankings before the market's collapse in 2008, quickly reclaimed that position when issuance resumed in late 2009. It has benefited from having a deep bench of CMBS lawyers, and from the fact

that most of the banks leading the gradual revival of private-label issues were Cadwalader clients before the crash.

"Cadwalader was fortunate in having some of their clients bounce back faster than others," said one partner at a rival law

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Top Issuer Counsel for US CMBS

	No. of Deals	1H-11 Issuance (\$Mil.)	No. of Deals	1H-10 Issuance (\$Mil.)
1 Cadwalader Wickersham	16	\$12,586.5	4	\$1,333.1
2 Sidley Austin	3	2,872.7	0	0.0
3 Kaye Scholer	1	1,548.4	0	0.0
Orrick Herrington	0	0.0	1	650.0
Dechert	0	0.0	1	302.0
TOTAL	20	17,007.6	6	2,285.1

Top Underwriter Counsel for US CMBS

	No. of Deals	1H-11 Issuance (\$Mil.)	No. of Deals	1H-10 Issuance (\$Mil.)
1 Cadwalader Wickersham	13	\$10,079.6	5	\$1,983.1
2 Sidley Austin	3	3,628.9	0	0.0
3 Kaye Scholer	2	2,614.6	0	0.0
4 Dechert	1	359.5	0	0.0
4 Cleary Gottlieb	1	325.0	0	0.0
Orrick Herrington	0	0.0	1	302.0
TOTAL	20	17,007.6	6	2,285.1

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firm. He added that the overall pace of new deals has yet to exceed Cadwalader's ability to handle them on a timely basis, so banks haven't been prompted to spread the work around. That dynamic isn't likely to change in the second half, as worsening market conditions threaten to reduce the flow of CMBS offerings (see article on Page 1).

"I was pretty upbeat when the year started, but now I'm a bit more cautious about where the market is going to be," said **William "Butch" Cullen**, a partner at Kaye Scholer who runs its CMBS practice. Whether more assignments become available to his and other firms, he said, depends on whether more CMBS shops succeed in lining up loans for securitization and selling bonds at acceptable spreads in today's volatile credit market.

Six months ago, most law firms in the CMBS sector were staffing up amid predictions that bond issuance would approach \$40 billion this year. Cadwalader, for its part, appears to have enough CMBS attorneys to handle its expected workload. "For now, considering our recent hires and transfers from other departments, we don't expect to hire more," said partner **Patrick Quinn**.

"A lot will depend on origination volume and the investor appetite for securities," added Cadwalader partner **Michael Gambro**. "The more deals you have and the more clients you have, the better able you are to plan. At this point, we're happy to have grown back to a decent size."

Over the last year, Cadwalader has rehired a number of CMBS lawyers who were laid off during the downturn, when many Wall Street law firms were forced to cut their staffs. Cadwalader now has 35 attorneys dedicated to CMBS, up from 28 at yearend — including seven with the title of partner or senior counsel. They belong to the 55-member capital-markets group led by Gambro and Quinn. It's separate from a larger team of real estate attorneys who represent lenders originating commercial mortgages for securitization, under partner **William McInerney**.

Meanwhile, Kaye Scholer is still looking to add junior attorneys with 2-3 years of finance experience to its structured-finance team. Those recruits could either join or support, as necessary, the CMBS unit. Along with Cullen, the unit has two other partners and four associates. About 15 lawyers who specialize in structured- and corporate-finance work help out his team as needed. ❖