

Cadwalader Retains Top Spot Among CMBS Law Firms

Cadwalader Wickersham remained the favorite law firm of commercial MBS issuers in 2012, advising them on almost three-quarters of the year's transactions.

The perennial market leader was retained as issuer counsel on 55 deals totaling \$34.7 billion, according to **Commercial Mortgage Alert's** CMBS Database. It also won assignments as underwriter counsel on 54 issues adding up to \$29.3 billion.

The closest competitor, **Sidley Austin**, won nine assignments in each category, while 10 other firms split up the rest of the business.

Some of the credit for Cadwalader's dominant position goes to **Freddie Mac**, which hired the firm to fill both roles on all 16 of its multi-family CMBS offerings last year. But even excluding the \$3.3 billion of unguaranteed bonds from those agency deals, Cadwalader eclipsed its rivals by working on well more than half of the private-label volume.

With issuance projected to jump sharply again this year, law firms expect they'll be called upon to sink their teeth into a wider variety of deal types. To be sure, multi-borrower securitizations of 10-year, fixed-rate mortgages will continue to be the industry's bread-and-butter transactions. But there are likely to be more float-ing-rate issues and single-borrower offerings.

Another likely source of work for CMBS attorneys will be collateralized loan obligations, three of which have hit the market since September. Lenders are increasingly interested in using commercial real estate CLOs to finance mezzanine loans and other credits that are ineligible or unsuitable for securitization via the standard CMBS-Remic structure. "There will be a gradual increase in the flow of CRE CLOs," said Cadwalader partner **Patrick Quinn**. "Clearly, we're going upwards from what we saw last year."

The jury is still out on whether there will be another wave of nonperforming-loan securitizations, after the first such offerings in 15 years hit the market in 2012. Like CLOs, the distressed-debt deals provided an opportunity for law firms to generate higher-than-usual fees by working on complex transactions. "We could see more of them this year," said **Michael Gambro**, another Cadwalader partner. "There is still distressed product out there that needs more permanent financing."

Cadwalader advised the underwriters on all four of last year's nonperforming-loan deals, while issuers hired **Dechert** on three and the law firm **Paul Hastings** on one.

The growth in deal volume has the law firms looking to expand their staffs. "The market is as busy as it's ever

been to start a year," said Sidley partner **Kevin Blauch**. "Issuers are calling around to the law firms to make sure we have the resources and capability to handle all of the work they plan to do."

Sidley plans to add a handful of associates and partners to its 12-member practice, led by Blauch, that advises CMBS issuers and underwriters. That New York team, which also includes partners **Mark Rogers**, **Jonathan Nunes** and **Giles Kelly**, has doubled in size over the last year.

Cadwalader plans to hire about five associates with 3-7 years of experience for its capital-markets practice, which has 78 attorneys and is led by Gambro and Quinn. Within that group, 46 lawyers, including eight partners, are dedicated to CMBS, up from a total of 36 a year ago. A separate team of 35 lawyers, led by partner **William McInerney**, represents lenders originating commercial mortgages for securitization. ❖

Top Issuer Counsel for US CMBS

		2012 No. of Deals	Issuance (\$Mil.)	2011 No. of Deals	Issuance (\$Mil.)
1	Cadwalader Wickersham	55	\$34,704.4	31	\$22,319.8
2	Sidley Austin	9	10,401.1	7	7,304.5
3	Dechert	3	473.1	0	0.0
4	Kaye Scholer	1	1,040.2	2	2,222.3
4	Paul Weiss	1	412.0	0	0.0
4	Clifford Chance	1	351.4	0	0.0
4	Blank Rome	1	255.0	1	286.8
4	Paul Hastings	1	195.0	0	0.0
4	Skadden Arps	1	125.0	0	0.0
	OTHERS	1	229.5	0	0.0
	TOTAL	74	48,186.6	41	32,133.4

Top Underwriter Counsel for US CMBS

		2012 No. of Deals	Issuance (\$Mil.)	2011 No. of Deals	Issuance (\$Mil.)
1	Cadwalader Wickersham	54	\$29,294.4	28	\$18,905.2
2	Sidley Austin	9	10,841.1	5	5,405.1
3	Kaye Scholer	3	2,604.4	4	5,851.8
4	Mayer Brown	2	2,429.1	0	0.0
4	Cleary Gottlieb	2	1,608.0	1	325.0
4	Dechert	2	925.0	2	1,359.5
4	SNR Denton	2	484.5	1	286.8
	TOTAL	74	48,186.6	41	32,133.4