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# NewsRelease

For Immediate Release:

## Cadwalader Deal Short-Listed for IFLR Europe Award

**London, 3 February 2010**, A deal on which Cadwalader, Wickersham & Taft LLP, one of the world's leading law firms, served as transaction counsel has been short-listed by International Financial Law Review (IFLR) for the European Debt and Equity-Linked Deal of the Year Award. The recognition was given for the firm's role in the Eurus II catastrophe bond transaction. The winners will be announced at a ceremony in London on March 18, 2010.

*About Eurus II:* Cadwalader represented sponsor Hannover Re on an issuance of EUR 150 million catastrophe bonds providing cover against losses from European windstorms occurring between August 2009 and March 2012. The transaction, arranged by BNP Paribas and Aon Benfield Securities, closed on July 29, 2009.

The London and New York offices of Cadwalader worked with the capital markets structuring group at BNP Paribas on the novel repo-based collateral arrangement under which the proceeds of the catastrophe bonds are invested under a repurchase agreement with BNP Paribas in a portfolio of highly-liquid and highly-rated corporate and sovereign bonds. On a daily basis, Euroclear, an independent third party, checks the eligibility and valuation of each bond in the portfolio and makes transfers between the accounts of the catastrophe bond special purpose vehicle (SPV) and BNP Paribas to reflect any changes in eligibility and valuations. This arrangement, together with overcollateralization provided by BNP Paribas, aims to ensure that the repurchased assets can at any time be realized for at least the amount of principal and interest owed on the relevant catastrophe bonds.

Eurus II combined English law and New York law and work on the transaction involved a team drawn from Cadwalader's London and New York offices led by Angus Duncan in London and Malcolm Wattman in New York.

“We are pleased to see Cadwalader’s prominence in the insurance-linked securities market recognized by IFLR.” said Chris White, Cadwalader’s Chairman. “This is a fine example of the collaboration between our London and U.S. offices and a factor that will serve as a foundation of future growth in London.”

*Significance:* Euris II was the first catastrophe bond to use the novel repo-based collateral arrangement. Upon the insolvency of Lehman Brothers there arose a significant likelihood of a shortfall in the value of the collateral on the catastrophe bonds collateralized by total return swaps with Lehman Brothers. An alternative method of collateralizing catastrophe bonds was needed that was both safe for investors and cost-effective for sponsoring insurers and reinsurers.

The repo-based collateral arrangement was subsequently used in two catastrophe bonds that came to the market during 2009: Montana Re and Atlas VI, issues on which Cadwalader also acted.

#### **About Cadwalader, Wickersham & Taft LLP**

Cadwalader, Wickersham & Taft LLP, established in 1792, is one of the world's leading international law firms, with offices in New York, London, Charlotte, Washington and Beijing. Cadwalader serves a diverse client base, including many of the world's top financial institutions, undertaking business in more than 50 countries in six continents. The firm offers legal expertise in antitrust, banking, business fraud, corporate finance, corporate governance, environmental, financial restructuring and reorganizations, healthcare, insurance, intellectual property, litigation, mergers and acquisitions, private client, private equity, real estate, regulation, securitization, structured finance, and tax. More information about Cadwalader can be found at [www.cadwalader.com](http://www.cadwalader.com).

#### **About IFLR**

IFLR is a leading magazine for in-house counsel and practitioners in the financial markets, covering the innovations in areas such as capital markets, banking, project finance, corporate governance, bankruptcy, litigation, fund management, and M&A. The International Financial Law Review awards are based on research from IFLR’s journalists in consultation with private practice lawyers, in-house counsel and financing specialists at investment banks around the world.