

Newcomers Taking Center Stage Among Securitization Law Firms

Two new names are emerging as the securitization industry's top-ranking law firms: **Sonnenschein Nath** and Bingham McCutchen.

At the midpoint of 2009, Chicago-based **Sonnenschein** registers as the number-one issuer counsel and the number-two underwriter counsel for asset- and mortgage-backed bond transactions completed in the U.S. this year — thanks to its hiring of an army of lawyers from the former Thacher Proffitt in December.

Boston-based Bingham doesn't appear in Asset-Backed Alert's league tables. But it is poised to be a major presence by yearend, based on plans to take over McKee Nelson on Aug. 1. McKee ranks number one among firms serving as underwriter counsel, and is second on the issuer side.

The fact that Bingham and **Sonnenschein** are stepping up as the new powerhouses of the structured-finance industry's legal domain is indicative of massive and often abrupt changes that have been occurring across the market. As many law firms cut back their securitization practices amid the credit crisis, surviving groups have emerged leaner and more densely packed with veteran partners. So it makes sense that new players could quickly rise to the top by taking on teams of well-known attorneys.

With deal production down, those faring the best are no longer the units that can help pump out huge volumes of transactions. Instead, issuers are "looking for the brain trust" that can guide them to creative financing, said Reed Auerbach, who runs McKee's New York office.

All of McKee's work is set to go to Bingham by yearend, with Auerbach heading a new capital-markets practice at the firm. Bingham hasn't historically had a presence in securitization, but is set to gain 30 market specialists with the takeover.

Before the credit market tanked two years ago, McKee's securitization practice encompassed 120 members. But the firm, like many others, laid off staff as the market fizzled. Still, McKee managed to serve as underwriter counsel on a market-leading 21 asset- and mortgage-backed bond issues

in the States during the first six months of this year. Those deals, adding up to \$21.1 billion, accounted for about a fifth of available assignments. They easily bested **Sonnenschein's** total of 14 and number-three Sidley Austin's count of seven. Among firms serving as issuer counsel, **Sonnenschein** easily took first place with 20 deals totaling \$9.1 billion. McKee was next at 14, followed by Mayer Brown with seven.

A year ago, **Sonnenschein** was a non-factor. It has been clear for some time that the firm would become a player after taking on about 50 securitization attorneys from Thacher, who brought with them several government contracts and a network of contacts in the mortgage-bond market. Nonetheless, its rise to the top is still impressive for a newcomer.

Sonnenschein's year-to-date standing "illustrates that our plan worked, to bring the team over to the stronger platform," said **Stephen Kudenholdt**, a former Thacher partner who now serves as co-chairman of the firm's capital-markets practice.

As they have been already, the market's active law firms will likely continue to devote much of their attention to assisting clients with deal restructurings and investments in distressed assets — along with one-off deals and a steady flow of issues tied to the Federal Reserve's Term Asset-Backed Securities Loan Facility.

As for industry-wide staffing matters, both Kudenholdt and Auerbach believe that the bulk of the layoffs are over.

Asset-Backed Alert's tally of law-firm volume takes into account all SEC-registered and Rule-144A securitizations sold primarily in the U.S. It excludes CDOs. ❖

Sonnenschein
SONNENSCHN NATH & ROSENTHAL LLP

1.888.858.6429

www.sonnenschein.com

Top Underwriter Counsel for US ABS/MBS

	No. of Deals	1H-09 Issuance (\$Mil.)	No. of Deals	1H-08 Issuance (\$Mil.)
1 McKee Nelson	21	\$21,062.0	44	\$35,481.6
2 Sonnenschein Nath	14	6,375.2	0	0.0
3 Sidley Austin	7	7,280.1	14	8,438.7
4 Cadwalader Wickersham	5	8,197.8	13	15,681.3
4 Orrick Herrington	5	5,084.7	19	14,797.8
6 Cravath Swaine	4	5,500.0	9	7,500.0
7 Skadden Arps	2	1,650.0	20	15,260.0
7 Strock & Strock	2	1,213.0	9	10,085.4
9 McDermott Will	1	954.4	0	0.0
9 Mayer Brown	1	600.0	3	3,458.9
9 Shearman & Sterling	1	520.1	0	0.0
9 Milbank Tweed	1	389.7	0	0.0
OTHER	36	16,077.9	78	21,914.6
TOTAL	100	74,905.0	209	132,618.3

Top Issuer Counsel for US ABS/MBS

	No. of Deals	1H-09 Issuance (\$Mil.)	No. of Deals	1H-08 Issuance (\$Mil.)
1 Sonnenschein Nath	20	\$9,106.7	0	\$0.0
2 McKee Nelson	14	10,505.5	26	13,944.4
3 Mayer Brown	7	7,960.6	10	6,783.8
4 Skadden Arps	6	9,204.1	13	14,930.1
4 Orrick Herrington	6	3,146.6	27	22,785.1
6 Shearman & Sterling	3	4,698.5	9	14,079.1
6 Dewey & LeBoeuf	3	4,054.4	6	8,200.4
8 Alston & Bird	2	2,800.0	0	0.0
8 Greenberg Traurig	2	1,515.7	2	1,096.7
10 McGuire Woods	1	840.0	2	952.8
10 Kirkland & Ellis	1	750.0	2	2,047.4
10 Hunton & Williams	1	600.0	1	260.1
10 Kutak Rock	1	600.0	4	4,391.7
10 Debevoise & Plimpton	1	520.1	0	0.0
10 Winston & Strawn	1	500.0	1	486.0
10 Hughes Hubbard	1	389.7	0	0.0
10 Cadwalader Wickersham	1	172.2	7	4,102.3
OTHERS	29	17,541.0	99	38,558.0
TOTAL	100	74,905.0	209	132,618.0