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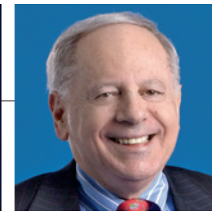

TOP TRANSACTIONS LAWYERS 2010













As 2008's nightmare became 2009's bleak new reality, lawyers navigated frozen credit markets and made plenty of trips to bankruptcy court.

DEALMAKERS OF THE YEAR

Call it the year of living governmentally. As was the case a year ago, our latest Dealmakers of the Year mostly worked with failing companies in sectors kept alive by federal IV drips. First among them is the auto industry. The Delphi bankruptcy is the subject of our cover story; elsewhere we discuss General Motors, Ford, Chrysler, and the Obama administration's auto task force. The financial services industry is represented too, in the form of fallout from the commercial real estate and securitization bubbles and wreckage from the credit default swap debacle. Section 363 has a starring role, as do debtor-in-possession bankruptcy arrangements and assertive creditors committees.

This was often grim work: liquidating assets, eliminating product lines, and renegotiating union benefit packages, under the gaze of an impatient nation. But it was also crucial work: As the economy careened toward a crash landing, our dealmakers tried to soften the blow.

Photographs By Paul Godwin

PROP STYLING BY LAUREN HUNTER; PHOTOGRAPH OF CORINNE BALL BY TIM KNOX

When General Growth Properties filed for Chapter 11, it unexpectedly took the assets of 166 shopping centers with it—and put the spotlight on a complex trail of securitized debt.

MALL COP

By Ross Todd

When General Growth Properties, Inc., filed for bankruptcy in April, it set the commercial mortgage–backed securities world abuzz. First there was the sheer size of GGP, a real estate investment trust that was the nation's second-largest mall operator. GGP, which owns such prized properties as Chicago's Water Tower Place and Honolulu's Ala Moana Center, had $27 billion in debt when it went into Chapter 11.

But what shocked many in commercial mortgage–backed securities (CMBS) circles was how General Growth had chosen to file: alongside its special purpose entities (SPEs), which held the titles to the underlying real estate assets of 166 of its malls. (Weil, Gotshal & Manges represented the parent company, while Kirkland & Ellis represented the subsidiaries.)

The SPE structure had led many securities holders to assume that GGP's subsidiaries and their revenue streams would not be entangled with the bankruptcy of the parent company. GGP's initial petition, which included the SPEs, drew 34 objections, and industrywide concern was so high that Alston & Bird partner Joseph Forte filed an amicus brief with the bankruptcy court on behalf of the Commercial Mortgage Securities Association shortly after GGP's filing. In it he argued that if the company's approach essentially amounted to filing as a single enterprise, the results could "be quite disastrous in the world of real estate finance."

It was in this charged atmosphere that Venable bankruptcy chair Gregory Cross worked on behalf of special servicers representing trusts that were owed nearly $5 billion. Like everything involving securitization, describing just who Cross worked for can be a bit complicated. In CMBS parlance, servicers are the go-betweens that process payments from mortgage holders and ensure that the securities holders receive their appropriate payout from the proceeds. If a property is sold or goes into default, the work of determining who is due what becomes more complicated. That's when Cross's primary clients—special servicers—step in. A group of special servicers that included CWCapital Asset Management LLC; J.E. Robert Companies; Midland Loan Services, Inc.; and Orix Capital Markets hired Cross, and early in the bankruptcy proceedings, he took the lead in coordinating the efforts of an ad hoc group of secured creditors that were owed more than $12 billion.

"I think both the debtor and my clients were open-minded, realistic about the pros and cons in settling and not settling, and creative about structure," Cross says. The resulting deal allowed the subsidiaries to emerge from bankruptcy before the GGP parent company. Cross's clients pushed back the maturity date of GGP's loans. In exchange, GGP structured its debt in a way that increased amortization payments, and it agreed to changes in the loan documents that significantly protect the lenders. U.S. bankruptcy court judge Allan Gropper approved the deal in December. "[Cross] did a very good job of orchestrating the deal on behalf of his clients," says Alston & Bird's Forte.

Cross, who was a litigator at the beginning of his career, learned the CMBS industry representing Criimi Mae Inc. when it went bankrupt in the late 1990s. The REIT had invested in B-level, unrated, and below-investment-grade pieces of commercial mortgage debt but ran into trouble when lenders made collateral calls. Cross helped restructure $2 billion of debt for the company, which emerged from bankruptcy in 1998. "After two-and-a-half years of work on that case, I didn't want to lose all that industry-specific knowledge," Cross says. That decision paid off: Cross and his team have seen the number of loans they're working out grow sixfold over the last 18 months.

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DEAL IN BRIEF — *General Growth Properties, Inc.*

Assets	$29.6 billion
Filed	April 2009 *(emergence pending)*
Venable's Role	Secured creditors' coordinating counsel
Debtor's Counsel	Kirkland; Weil


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