

## Securitizations Group Of The Year: Weil Gotshal

By **Matthew Thomas**

*Law360 (February 19, 2020, 3:36 PM EST)* -- Weil Gotshal & Manges LLP guided several of the most cutting-edge securitization deals of the past year, including the \$1.3 billion overhaul of fast-food chain Jack in the Box, earning the firm a spot on Law360's 2019 Securitization Groups of the Year.

Weil's structured finance and derivatives team advised Guggenheim Securities and Morgan Stanley on the whole-business securitization of the California-based Jack in the Box chain. The transaction, which closed in July, pulled from all elements of the restaurant's business, including intellectual property, franchisee royalty streams and real estate.

"It was their first whole-business securitization," Weil's head of U.S. structured finance and derivatives, Frank Nocco, told Law360. "It was really transformative for the company from a financing perspective."

The deal did fetch more than \$1 billion, and Nocco also underlined the innovation and complexity involved in securitizing a company like Jack in the Box, calling the work "esoteric."

"There are definitely sponsors and companies that are accessing the market that are not doing billion-dollar deals, but they are very, very cutting edge," Nocco said.

The firm employs about 30 attorneys in the structured finance and derivatives practice, split between offices in New York and London. Those lawyers embrace a diversity of expertise in finance practices that includes not only securitization, but also collateralized loan obligations and derivatives.

The result, Nocco said, is the team's involvement in "the most cutting-edge and high-profile deals in the asset-backed securities market."

Those deals in 2019 included advising Guggenheim Securities again in a series of energy transactions. In September, Weil helped close the first securitization of an oil and gas well for Denver-based Raisa Energy. A month later, the firm helped launch Diversified Gas & Oil securitization of its wells and other assets in the Appalachian Basin.



The firm said that securitization of assets in the oil and gas industry is an up and coming trend in the industry.

“That's something very, very new that we've been at the forefront of,” Nocco said, recalling the firm's work with Guggenheim on Raisa and Diversified this fall.

Shawn Kodes, a partner on the structured finance and derivatives team, also highlighted the significance of several deals the firm participated in the mergers and acquisitions space in 2019 that drew from their expertise in securitizations.

These deals include Brookfield's \$4.8 billion majority stake in Oak Tree Capital, the sale of THL Credit Advisors to First Eagle Investment Management and Willis Towers Watson's \$1.3 billion purchase of healthcare company TRANZACT.

In July, the firm also represented CFG Partners, recently acquired by the investor group BayBoston Managers, in a \$222 million asset-backed securities offering financed by personal consumer loans.

CFG, based in Panama, is a consumer finance company with more than 90 locations in the Caribbean, according to its website. As a result, the deal spanned multiple jurisdictions across seven countries, the firm said.

“That was the first ever multi-jurisdiction securitization of personal consumer loans,” Kodes said.

Because such a deal had not been done before, the deal required the team to meet with regulators in local jurisdictions and educate them on the securitizations process. And while juggling the local regulatory environment, the attorneys also had to focus on crafting a financial structure that would appeal to investors and meet rating agency standards, the firm said.

“It was really an exciting process working with all those jurisdictions, our team quarterbacking local councils and educating a country on the type of product,” Kodes said. “And hopefully it opens the door for other financial institutions to go in and securitize in those jurisdictions and really boost their local economies.”

Nocco also cited the firm's involvement in other non-traditional asset-backed securities deals. In 2017, for example, the firm helped launch a \$155 million bond for diamond dealer the Diarough Group, using the Belgian company's stock in cut and uncut diamonds. That deal was also the first of its kind, the firm reported.

Kodes is positive about building off the firm's success into 2020.

“I think given the reputation of the attorneys on our team — and our track record of developing really innovating, groundbreaking structures — really puts us in a position where we get to partner with our clients to come up with innovative market solutions,” Kodes said.

--Editing by Peter Rozovsky.