ABS Law Firm of the Year

Kramer Levin


Laurence Pettit


Gilbert Liu


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THREE BROAD themes drove Kramer Levin's ABS practice to new heights in 2019. First, there was the adoption of clean energy deals by commercial issuers, adding to the already strong issuance from the residential side. Second, there was the rise of new asset classes including Collateralized Fund Obligations (CFOs), as private market investors sought new liquidity for their stakes in private investment funds. Third, an increase in the use of traditional private placements for ABS deals boosted the number of investor clients on the firm's client roster. This was in addition to work in the timeshare sector and in the residential solar markets that have long been the backbone of Kramer Levin's practice.

"We are a small team that has to compete with larger law firms," says Jamie Kocis, partner at Kramer Levin in New York. "Our success comes from working very closely with our clients."

It also comes from proactively seeking out new assets and clients and being able to bring processes perfected in one market to bear in another. "At the beginning of 2019 we saw great opportunities for us in smaller industrial and commercial clean energy sectors, where the techniques that we had pioneered in residential could be moved over," says Laurence Pettit, partner at Kramer Levin in New York. These deals have materialized on top of new deals for investment banks in the solar sector, including offerings by some of the biggest names in the business such as Tesla Energy, Sunnova, Sunrun, Dividend, Mosaic and Vivint.

The firm has also been focused on bringing new asset classes and new issuers to the markets in areas such as venture loans, and LP interests in private equity and private debt funds (CFOs). According to Pettit, Kramer Levin's CFO work continued to grow and was part of a deliberate strategy by the firm to focus on this area. In September it closed a new CFO as underwriter counsel, which was collateralized by interests in a diversified and seasoned pool of over 100 private equity and private debt funds with approximately $375.7 million in net asset value. This relatively new product is particularly relevant for insurance companies, as a good way to raise capital against illiquid assets without selling them at a discount. However, the NAIC, which convenes all the state insurance regulators, has been investigating how much capital insurers should hold against these deals when they acquire or retain the rated notes. While a final decision has yet to be made, Kramer Levin has been working on helping to shape the outcome. It has been heavily involved in a working group that was put together to answer a request for comment from the NAIC during the consultation process.

New asset classes require a lot of time for investors to get comfortable. In a deal context, this usually means that issues have to be privately placed in a traditional manner, in which various terms and conditions can be explicitly negotiated between the issuers and investors (as opposed to underwritten 144A deals). As a result of this, investors in traditional private placements take a more active role and retain their own counsel, which has brought a third group of clients to Kramer Levin, in addition to its already strong relationships with investment banks and issuers.

"Our clients are always trying to stay one step ahead, coming up with new asset classes and new structures," says Gil Liu, head of the securitization practice at Kramer Levin in New York. "Our practice is built on constant dialogue with our clients, going back and forth, iterating, and trying to be as innovative as possible."

The firm claimed first place in the *GlobalCapital* poll, narrowly beating out the second placed firm by the higher percentage of issuers and bankers who voted for the firm. Overall, 531 respondents cast votes in this category. ▲