

→ Commercial Lending and Financial Transactions

Sheppard Mullin's Commercial Lending and Financial Transactions practice is comprised of attorneys who specialize in the documentation, negotiation and structuring of financial transactions. Attorneys in this group represent lenders, lessors, venture capital groups, investors and, at times, sellers, lessees and borrowers. In tandem with our insolvency and litigation attorneys, we often handle the transactional aspects of the restructuring and workout of troubled loans and the representation of creditors in bankruptcy proceedings. We also represent financial institutions in matters such as licensing, establishment of new branches, regulatory and form compliance procedures. We provide opinions for California law issues such as usury, form compliance for federal and state consumer transactions, UCC and securitization issues.

In the past few years, our attorneys have seen a significant change in the financial and legal services marketplace, especially for attorneys structuring and documenting transactions for financial institutions. The transactions have become more complex and sophisticated. At the same time, technological innovations have substantially shortened the length of time in which transactions are expected to be documented and closed. The competitive marketplace for our clients has made legal fees and expenses a critical component in the success of our clients even getting the deal. In response to this environment, we have organized our Commercial Lending and Financial Transactions Group with a focus on experience, organization, technology and economy. We believe the combination of these four components allows us to provide superior legal service to our clients at a price and within the time limitations now expected and required in the marketplace.

We have a dedicated Due Diligence Team that focuses solely on providing diligence-related support on corporate and financing transactions. Because of this, they are skilled at reviewing and analyzing documents and agreements produced by target companies and can quickly and cost-effectively prepare diligence memoranda, material issues lists and other client deliverables. The Diligence Team can also proficiently oversee the document production and disclosure schedule preparation process on behalf of sellers, issuers and borrowers. Each time services are provided, the Diligence Team develops an institutional knowledge base that can be accessed for future deals by the same client or in the same industry. The Diligence Team has the ability to ramp up a time-sensitive review in less than a day.

Bond And Indenture Trustees

Sheppard Mullin has extensive corporate trust experience in the representation of indenture trustees in connection with bond transactions. Although some of this work has entailed the review of documents at the origination stage, most of our corporate trust work on behalf of indenture trustees has focused on the representation of the trustee in connection with defaulted bond transactions. Our familiarity with applicable fiduciary and tax rules, as well as our firm's long standing expertise in the field of creditors' rights, secured transactions and insolvency matters has allowed us to represent bond trustees effectively.

Among the bond default matters handled by our firm, there have been numerous defaults involving Chapter 11 bankruptcy proceedings, Chapter 9 municipal bankruptcies and insurance company insolvency/rehabilitation proceedings, as well as numerous revenue bond defaults involving real estate projects throughout the United States, retirement, assisted living and nursing homes, hospitals, failed savings and loan associations and waste

disposal facilities, among other projects. These matters have included restructurings and modifications of bond transactions in negotiated workouts, implementation and exercise of remedies and complex litigation.

Loan Portfolio Acquisitions

We advise clients in connection with virtually every type and size of non-performing and performing loan portfolio acquisition transaction and, in some cases involving the securities representing the loan pool instead of the loans. Our representation includes both buyers and sellers, and we have guided our clients through the host of challenges associated with these transactions, including:

- Due diligences and disclosure
- Purchase agreements and offering materials
- UCC searches and title reports and reviews
- Bid analysis and preparation
- Warranties and remedies
- Buyer representation letters and related materials
- Auctions
- Pro-ration procedures and post-closing claims
- Disputes resolution
- Forbearance and Indemnification

We have closed a significant number of loan portfolio and securities sale transactions throughout the country, many involving in addition to the buyer and seller, trustees, servicers, bailees, custodians, repo and warehouse lenders. We understand the various interests of the stakeholders and how to bring the parties together to get the deal closed.

Project Finance

Our team includes attorneys with deep domestic and international experience negotiating the commercial contracts and financing agreements relating to limited recourse financings for power, petrochemical, infrastructure, natural resources and other projects. We have led the negotiation and documentation of multibillion-dollar projects and five million dollar projects, and we understand how the fundamental principles of project finance need to be applied differently at both extremes and those in between. We have earned a reputation in the industry as being strong advocates, capable “project managers” and skilled drafters who produce documentation that can be understood even by non-lawyers not present during the negotiations. We assist with all stages of a project’s development and financing, including real estate transactional matters, land use and entitlements, environmental permitting, EPC agreements, feedstock or fuel supply agreements, offtake agreements, tax matters, flip partnership agreements, and, of course, credit agreements and security documents.

Specialized Industry Finance

Because the infusion of capital is one of the pillars of success for many businesses, all industries are dependent upon the lender/borrower relationship. However, not all industries are the same, and many require very specific knowledge of specialized laws, deal structures and the like. In addition to our broad and deep general financing skill, we have experience in industries that are considered "specialized", such as:

- Affordable Housing
- Agriculture
- Automotive
- Communications
- Gaming
- Healthcare
- High Tech
- Hospitality
- Native American Enterprises
- Media and Entertainment
- Professional Services
- Retail
- Time Shares

We are able to respond swiftly and skillfully to the client's individual needs balanced with industry specific standards and laws, which can vary from transaction to transaction. Our understanding of very specific and specialized industries has allowed us to provide clients with an economical approach to avoiding pitfalls, resolving challenges, capitalizing on opportunities and thus, successfully closing the transaction at hand.

Warehouse Lending and Securitization

We represent clients in a variety of capacities including originators, issuers, servicers, lenders and investors in structuring and executing securitizations. In particular, with respect to borrower and issuer clients, we advise clients on establishing entity structures in anticipation of the market demands of the credit cycle which typically involves secured warehouse financing and eventually accessing less expensive capital through securitization. Our attorneys have experience securitizing a number of different asset classes, such as equipment leases, credit cards, trade receivables, tax liens and auto loans and leases, utilizing a variety of structures, including titling trusts. Most recently the team is working on innovative structures involving emerging assets classes such point of sale receivables and rent-to-own leases, as well as structures for more traditional asset classes such as mortgage loans and healthcare receivables.

Clients

- Wells Fargo Bank, N.A.
- BofI Federal Bank

- Comerica Bank
- Woori Bank (Korea)
- Bank of America N.A.
- U.S. Bank
- Toyota Motor Credit Corporation
- Walker & Dunlop Commercial Property Fund
- CIT Bank, N.A.
- MUFG Union Bank
- Midland Loan Services
- LendingTree LLC
- San Diego County Credit Union
- Newmark Realty Capital, Inc.
- NongHyup Bank New York Branch
- Opus Bank
- First Foundation, Inc.
- Citigroup Global Markets, Inc.
- Citicorp North America
- Sun West Mortgage Company
- City National Bank
- loanDepot.com, LLC
- Latitude Management Real Estate Investor
- JP Morgan Chase Bank
- General Atlantic Service Company LLC
- Shell Point Financial
- Pacific Mercantile Bank
- Skyline Financial Corporation
- Mechanics Bank
- Bridge Bank
- Credit Suisse Securities (USA)
- Quadrum Group
- Seacoast Commerce Bank
- East West Bank
- Los Angeles County Employees Retirement
- Stearns Lending, Inc.
- Marquette Business Credit, Inc.

- Banc of California
- Bank of China
- Capital One, N.A.
- The Trump Group
- Signature Bank
- Silicon Valley Bank
- MasterCard International Incorporated
- General Electric Capital Corporation
- First-Citizens Bank & Trust Company
- Premier Valley Bank
- Flagstar Bank
- Evangelical Christian Credit Union
- Westamerica Bancorporation
- Capital Group Companies