

## Structured Finance Group Of The Year: Milbank

By **Kevin Pinner**

*Law360 (February 29, 2024, 2:26 PM EST)* -- Milbank LLP's structured finance team last year crafted unique solutions to allow capital markets to access rated notes, to securitize a fiber-optic network and to finance an acquisition of Subway Restaurants, earning it a place among Law360's Structured Finance Groups of the Year.

Michael Urschel, a partner who leads Milbank's structured finance group, joined the firm last year with two other partners from King & Spalding LLP. Milbank's structured finance group is part of its alternative investments practice, which has about 70 attorneys who specialize in areas like aircraft securitization, where the firm has played a pioneering role, said Sean Solis, a Milbank partner who leads the wider practice.

Solis said Milbank's team essentially wrote the book on aircraft securitization — a way to finance assets owned by airlines, including gates at airports and engines, to get cash from them in the capital markets. The firm's decision to hire a "market-leading" structured finance team is part of its forward-looking growth strategy, according to Solis.

"Milbank never wants to be everything to everybody," Solis said. "We're always kind of really focused on: What's current in the market? Where are we now? Where's the market going? Not where it's been."

Urschel and his team joining Milbank was "obviously ... a huge coup for us," Solis said. The firm's structured finance team now has around 15 attorneys who were all hired last year, Urschel said.

The alternative investments practice is one of the firm's largest, Solis said. "We know we're the best, and so we want to continue to invest in those practices where we are market leaders," he said.

Attorneys in the alternative investments practice are spread across New York, London and Washington, according to Urschel.

"If you look at the deals we submitted, the one thing that they have in common is that they all are completely unique [and] haven't been done before," Urschel said.

Last year, Milbank's structured finance team crafted a "first of its kind" transaction involving rated note feeders for New Mountain Capital, according to Solis. A rated note feeder allows insurance companies



to invest in private credit funds by issuing notes that represent a purchase agreement or debt.

What made Milbank's work on the project unique is that the feeder's notes were open to investments from capital markets, according to Urschel. After the deal closed in August, the rated note feeder started by issuing notes with total commitments of about \$330 million, according to the attorneys. New Mountain Capital intends to grow that figure to \$2 billion, the attorneys said.

Milbank also advised Goldman Sachs & Co. LLC and the other purchasers in the securitization of Frontier Communications' \$1.58 billion in revenues from its fiber network, according to the attorneys. There's been a growing market for the securitization of fiber-optic networks in recent years because it's "almost what we call terminal technology," Urschel said, since the capacity of current networks isn't even close to being fully used.

"If you're a fiber provider and you have thousands of customers, or if you have thousands of high-grade customers or hundreds of investment-grade customers, you can finance all those monthly fiber subscriptions," Urschel said. "It becomes a long-term sticky asset because once you sign up for your Verizon Fios or your Comcast, you tend to not change it."

Milbank was picked to take on the innovative transaction because it has "the best project finance practice on the planet," Urschel said.

Finally, the firm represented a syndicate of major investment banks in the financing of Roark Capital Group's acquisition of Subway Restaurants, which was signed in August.

"We've done this on a smaller scale before, but this was the first time it was done in a multibillion-dollar, multilender, competitive lender process where we literally were designing a product as we went from multiple vendors and multiple lenders," Urschel said.

Once the deal is finalized, it will likely be one of the largest securitizations of all time, according to the attorneys.

--Editing by Linda Voorhis.