

Dealmakers Q&A: Mayer Brown's Jon Van Gorp

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Jon Van Gorp is the co-head of Mayer Brown LLP's structured finance practice, which recently was named best firm for asset-backed securities by GlobalCapital and securitization team of the year by IFLR Americas. Selected each year since 2005 as an outstanding structured finance practitioner by several independent lawyer-ranking guides, Van Gorp has built his practice on innovation. He has been part of the team to complete several first-of-their-kind structured finance transactions. Van Gorp has spent nearly his entire career at Mayer Brown and currently splits his time between its Chicago and New York offices.

As a participant in Law360's Q&A series with dealmaking movers and shakers, Jon Van Gorp shared his perspective on five questions:

Q: What's the most challenging deal you've worked on, and why?

A: During the midst of the credit crisis, I helped a U.S. insurance company purchase another insurance company from a European bank. The deal was challenging because the buyer had to accept liability for a group of insurance policies relating primarily to devalued asset-backed securities that it did not want to buy. The solution was a total return swap of sorts that was collateralized by a guaranty from two European sovereigns and eventually cash and securities. Total return swap technology had never been used in this way before, which made the transaction interesting and challenging at the same time.

The validation came after nine months of nearly constant work, when the buyer's rating agencies approved the deal on the basis that the risk protection arrangement, which I helped design, effectively insulated the buyer from the risk of the insurance contracts written by the acquired insurance company that it did not want to buy. The Financial Times ranked this transaction as the second most innovative M&A transaction of 2010.

Q: What aspects of regulation affecting your practice are in need of reform, and why?

A: Next to generating nuclear power, structured finance is perhaps the most regulated activity on the planet. The challenge is keeping track of all the regulations and making sure that deals are structured properly to comply. Some regulations were written so quickly that they were not fire tested with actual



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deal structures prior to being signed into law. Over time it has been fascinating to watch the structured finance market adapt and survive in response to these new regulations.

Q: What upcoming trends or under-the-radar areas of deal activity do you anticipate, and why?

A: I think a return of the subprime mortgage market is on the horizon as banks and finance companies once again become interested in borrowers with less-than-perfect credit. I read an article in the New York Times over the weekend about the expected new wave of subprime lending, which is supposed to be highly regulated and therefore highly protective of the consumers and financing sources at the same time. It will be interesting to watch this industry develop and eventually see whether it can be financed again through the structured finance markets. There has been no structured finance activity in the subprime market since the early days of the credit crisis.

Q: What advice would you give an aspiring dealmaker?

A: Think outside the box. Use techniques and approaches that you have learned in new ways to create new solutions. The risk protection arrangement I described above is a perfect example of this. Solving problems is fun and rewarding. Embrace it. Prized lawyers solve problems, they don't avoid them.

Q: Outside your firm, name a dealmaker who has impressed you, and tell us why.

A: My mentor is Diane Citron, who left our firm for the fund world about 10 years ago. I never saw Diane become frustrated or discouraged when faced with what seemed like an insurmountable problem. She was always cool under fire, and had tremendous confidence in her ability to think her way through any challenge.

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