

Structured Finance Group Of The Year: Mayer Brown

By **Adrian Cruz**

Law360 (December 21, 2020, 4:19 PM EST) -- Mayer Brown LLP helped United Airlines stay afloat during the COVID-19 pandemic by advising it on a novel financing of its frequent flyer program, earning the firm a spot among Law360's Structured Finance Practice Groups of the Year.

Consisting of more than 100 attorneys mostly based in New York, Chicago, Charlotte and Washington, D.C, Mayer Brown's structured finance group works on a variety of transactions ranging from student loans, mortgages, securitizations and other forms of financing.

"Our strategy is to be in every part of the structured finance business," partner Stuart Litwin said. "We have the largest structured finance practice, and if you were to look at our total number of deals, they're in everything ranging from auto loans, credit cards, mortgages both residential and commercial, we're in all of the parts of the market. Our laserlike focus is to be the best structured finance firm."



Litwin said the combination of its size and flexibility is what makes Mayer Brown's group a standout in the structured finance world, and gives it an opportunity to work with clients across the whole spectrum instead of focusing on a single type or side of the transaction.

"We don't just represent issuers, we don't just represent underwriters, we don't just represent investors," he said. "We actually have a very balanced practice where we represent all the different sides of the transactions and we're very fortunate that all of the different sides call on us and ask us to be their law firm."

Another trait that Litwin said helps Mayer Brown maintain its status at the forefront of structured finance is the involvement in transactions that are revolutionary.

"We have been very fortunate to be selected and involved in groundbreaking, cutting-edge transactions," Litwin said. "When you're doing something that's unique and different, that helps you get the next transactions in that space that involve that difference. Having the opportunity to do things that are innovative has been a big part of our practice."

One groundbreaking transaction Mayer Brown has handled recently involved United Airlines and the April financing of the company's frequent flyer program, MileagePlus. Following the downturn in air

travel as a result of the COVID-19 pandemic, United was burning through more than \$40 million per day, and Litwin said the only asset the airline had left that wasn't already financed was the intellectual property of MileagePlus.

After isolating the MileagePlus IP, which included information such as customer lists, United set up an offshore company that secured \$3 billion of a \$6.8 billion financing structured by Mayer Brown-led Goldman Sachs.

"What was really interesting about the transaction was that it wasn't actually a securitization. What the rating agencies were willing to do is that, even though United's debt isn't so highly rated, it was able to issue investment-grade rated debt, because the agencies were willing to look at what we did from a structural perspective," Litwin said. "They were thinking about what happened if United went bankrupt and got comfortable that United needed the loyalty program so much that our deal would be able to go on and survive and investors would get paid even in a United bankruptcy."

Another notable deal involved the Goldman Sachs securitization financing of small business loans given to merchants in Mexico who use MercadoLibre, Latin America's largest ecommerce platform. In order to finance the business loans, MercadoLibre uses the money it owes the vendors from sales they made on the website and deducts loan payments from it, which makes it more creditworthy than other types of loans.

"What was interesting is that the loan was made by Goldman Sachs USA and it was a cross-border transaction funding those loans to merchants in Mexico," Litwin said. "We are a global practice, we have a structured finance practice in Mexico, we're also in Brazil, all throughout Europe and Asia."

A similar securitization deal is being done in Brazil for its MercadoLibre platform.

--Editing by Nicole Bleier.