

Real Estate MVP: Dechert's David Forti

By **Dan Packel**

Law360, Philadelphia (December 13, 2013, 2:56 PM ET) -- Dechert LLP's David Forti helped complete nearly two dozen commercial mortgage backed securities deals in the last year — including one involving a \$1 billion loan on the landmark Seagram Building in New York City — landing him on the list of Law360's 2013 Real Estate MVPs.

In his practice, Forti represents a number of different interests in the complex world of turning commercial mortgage loans into securities that can be traded. Throughout his career and in the last year, he has worked out deals for mortgage loan sellers and B-piece buyers — the purchasers of the highest yielding, bottom tranches of these securities.

As a consequence, he has been able to develop a broad perspective that's crucial in making these transactions proceed smoothly.

"The person who is going to buy the most senior bond has very different interests than the person who is going to buy the junior bond. Having a sense of the different interests that the groups involved have helps me advise the loan originator," Forti said. "Part of what I'm able to do in these deals is look at these assets through the eyes of all the participants and tell the client how it will be viewed by all the parties."

Forti represented Citigroup and Deutsche Bank in the Seagram Building deal, in which Dechert advised the banks in providing financing for the 38-story modernist landmark at 375 Park Ave. and then in selling the senior mezzanine loan and the junior mezzanine loan, along with securitizing the mortgage loan in a stand-alone securitization and pooled securitization.

"It was a large deal, with multiple people who had to be brought together and time pressures," he said. "And that's where I've developed a little bit of a reputation for myself — when you have these big multiparty deals that you need to get done fast."

Forti also knocked out another massive deal for Barclays — for whom he handles the vast majority of its large loan origination — and UBS, by originating a total of \$1.6 billion of mortgage and mezzanine loans secured by six Class A shopping centers in five different states.

Again, the deal involved a wide range of powerful players: In addition to the two massive banks, the borrowers under the loans were affiliates of General Growth Properties, the second largest owner of shopping centers in the U.S. Dechert's role in the deal involved negotiating and drafting the mortgage

and mezzanine loan documents, handling due diligence on the properties and helping to securitize each of the mortgage loans and to buy and sell the mezzanine loans.

Forti also represented Barclays in a second deal with GGP, in which the bank originated a \$325 million mortgage loan secured by the Tysons Galleria mall in McLean, Va. Again, Dechert handled the negotiation and drafting of the loan documents and due diligence, and played a role in securitizing the loan.

On the buyers side, Forti represented a number of investment groups — including H/2 Capital Partners, Raith Capital Partners LLC and Rialto Capital Advisors LLC — that purchased the B-pieces of massive commercial mortgage backed securities.

Forti credits his success in all of these transactions to his ability to treat all the parties involved fairly. He noted that deals, where everyone involved can come out ahead, are fundamentally different from litigation.

“The goal here, whether it’s between the lender and the borrower or between multiple lenders in a capital stack is to make it so that everyone feels that they’ve won,” he said.

Forti handles his nationwide practice not from New York — the undisputed place to be for financial transactions — but instead from Dechert’s headquarters in Philadelphia, but he noted that he’d suffered no geographical disadvantages as a result.

“Getting to New York is easy. All I need to do is walk downstairs and get on the train,” he said, highlighting that his office is just above the city’s 30th Street Station. “It’s never had any negative implications on my business.”

And though Forti said that in the last year — thanks to the economic recovery — his business has thrived in a way that it hasn’t since 2007, he expects even better results next year.

“I expect 2014 to be a great year,” he said. “There’s a lot of loan product that’s coming due next year, and the fundamentals are lined up ... interest rates are low and the economy seems fairly stable.”

--Editing by Stephen Berg.