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Commercial Mortgage ALERT

THE WEEKLY UPDATE ON REAL ESTATE FINANCE AND SECURITIZATION

MAY 17, 2013

Credit Suisse, Reviving CMBS Group, Hires 4

Credit Suisse has hired a group of former **Nomura** executives, led by **Mark Brown,** to re-start its commercial real estate lending program.

The team also includes **Dante LaRocca, Jeremy Stoler** and **John Tesoriero.** The quartet has worked together since the 1990s, with successive stints at **Donaldson Lufkin & Jenrette,** Credit Suisse, **Nomura, Centerline Capital** and, most recently, **BGC Real Estate Capital,** an affiliate of **Newmark Grubb.**

Credit Suisse, once a major CMBS lender, halted originations in late 2011 when bond spreads blew out and the risk of warehousing loans grew. But it has maintained a CMBS trading operation.

Early this year, the bank indicated it planned to revive lending, limiting its focus to large loans for established clients. Mortgages large enough to be securitized by themselves carry limited warehousing risk, because the lender doesn't have to wait while it amasses additional collateral for a deal. At the time, the bank wasn't

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AREA to Spin Off 2 Units to Bill Mack and Son

AREA Property Partners is spinning off a pair of businesses to two of its top executives, **Bill** and **Richard Mack,** who will use them as the foundation for a new real estate investment firm that could have a broad reach.

The spinoff will be made in conjunction with the pending takeover of New York-based AREA by **Ares Management,** a Los Angeles alternative asset manager.

The father-and-son team, prominent figures in the real estate industry, will take over the management of the $225 million Claros Real Estate Securities Fund, a hedge fund that AREA set up in 2004 to invest in distressed real estate debt, including commercial MBS.

The duo's new company, dubbed **Mack Real Estate Capital,** will also assume AREA's property-management business, **Winthrop Management,** which oversees more than 10,000 multi-family units and nine million square feet of commercial

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Brookfield Taps Deutsche Team for NY Towers

A syndicate led by **Deutsche Bank** has agreed to lend up to $1 billion on two office buildings at Lower Manhattan's Brookfield Place complex, known until recently as the World Financial Center.

The other lenders participating are **Bank of America, Citibank, Royal Bank of Canada** and **Wells Fargo.**

The floating-rate loan is sized at $800 million, with an "accordion" feature that could permit another $200 million to be drawn down. Each bank has pledged to fund one-fifth of the mortgage. Some or all of the participants are seeking to syndicate a portion of their commitments. The term is expected to be three years, with two one-year extension options.

The complex, owned by **Brookfield Office Properties** of New York, encompasses four buildings with 7.2 million square feet. The collateral for the mortgage is the 2.4 million-sf Tower 2, at 225 Liberty Street, and the 1.8 million-sf Tower 4, at 250 Vesey Street.

The buildings, which were constructed in 1986 and 1987, are fully occupied, but

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THE GRAPEVINE

MetLife's head of real estate debt strategies, managing director **Brian Casey,** is leaving the insurance company for agency lending specialist **Walker & Dunlop.** Casey starts next week at the Bethesda, Md., shop. He'll manage two planned vehicles that will write fixed-rate and bridge loans. Casey last year took the reins of MetLife's commercial mortgage operation — the largest among U.S. insurers — from **Mark Wilsmann,** who moved over to lead a group that manages real estate investments for third-party institutional investors.

Veteran originator **Michael Cohen** joined **Citigroup's** Charlotte office last week to focus on writing conduit loans. Cohen spent the past two years at **UBS.** His background includes nine years at

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Spear Street Taps BofA for NY Deal

Bank of America originated a floating-rate loan of around $140 million this week for the buyer of the office building at 315 Park Avenue South in Manhattan.

San Francisco fund operator **Spear Street Capital** acquired the 334,000-square-foot tower from **BCN Development** for roughly $230 million. That puts the loan-to-cost ratio at about 60%. The mortgage has a five-year term.

With the sale, BCN exited a thorny investment. The New York company, headed by **Craig Nassi,** purchased the property at the top of the market in 2007 for $280 million, including closing costs. It financed the deal with a highly leveraged $249.5 million debt package arranged by **UBS.** The bank securitized the senior $219 million portion via a $5.4 billion pooled deal (J.P. Morgan Chase Commercial Mortgage Securities Trust, 2007-LDP11).

The property suffered during the downturn. It was appraised at just $210 million last year. BCN, unable to refinance, defaulted when the securitized debt matured in June.

Special servicer **CWCapital** then began shopping the senior debt as it initiated foreclosure proceedings. **SL Green** stepped in to buy it for $218 million in December. The New York REIT evidently negotiated an extension that gave BCN time to find a buyer. The proceeds of the sale were used to pay off the senior debt. The status of the mezzanine debt at the time of the sale was unknown.

The 20-story building is on the southeast corner of East 24th Street, one block east of Madison Square Park in the Midtown South submarket. The property is mostly occupied by **Credit Suisse** as supplemental space to its headquarters across the street, at 11 Madison Avenue. Credit Suisse's lease on 82% of the space expires in 2017.

The building was developed in 1910 for industrial use and converted into office space in 1966. The top five floors were renovated in the 1980s and 1990s. The lower 15 floors were renovated when Credit Suisse moved in around 2001. ❖

Issuers Hold Line on CMBS Spreads

New-issue spreads held steady this week as issuers marketed five commercial MBS deals totaling $3.7 billion.

Two were multi-borrower offerings, including a $1.2 billion issue led by **Goldman Sachs, Jefferies & Co.** and **Citigroup** that priced yesterday. **Wells Fargo** and **RBS** are running the books on the other transaction, which totals $1.5 billion and is likely to price today.

The long-term, super-senior bonds in the offering by Goldman, Jefferies LoanCore, Citi, **Archetype Mortgage Capital** and **MC-Five Mile** went out the door with a spread of 82 bp over swaps. That was up from price guidance in the 79-bp area — but matched the 82-bp spread on equivalent benchmark bonds from the previous conduit issue, a $1.3 offering by **J.P. Morgan** and **Ladder Capital** that priced on May 2 (see Initial Pricings on Pages 20-21).

Meanwhile, the benchmark paper in the Wells-RBS offering was being marketed at 80-bp area yesterday. Both banks contributed loans to the deal, along with **Liberty Island, Basis Real Estate Capital** and **C-III Commercial Mortgage.**

New-issue spreads have barely budged since settling in the low 80s in mid-April. However, due to an increase in the yield on 10-year U.S. Treasurys, the benchmark paper from the Goldman-Jefferies-Citi deal was priced to yield 2.8%, versus 2.6% for notes in the J.P. Morgan-Ladder deal.

Some CMBS pros interpreted the rise in absolute yields as a sign of ebbing demand, but traders said they're still seeing a strong bid for new deals because they offer more-attractive returns than similar paper in other fixed-income sectors.

Heavy demand led to an increase in the size of one new issue. Citi and Deutsche securitized $573.8 million of a $1 billion fixed-rate debt package they had originated on the Seagram Building, a trophy office tower in Manhattan. Citi increased its contribution of senior debt to the transaction, boosting the triple-A class from $75 million to $209 million. That paper priced at 92 bp. Bonds rated Aa3/A- by **Moody's** and **Kroll** went out the door at 135 bp.

Both of those classes were in line with guidance. But the A3/BBB- notes went for 175 bp, up 5 bp from talk, and the Baa3/BB notes hit 245 bp, up 30 bp. That's partly because **Fitch,** which wasn't hired to rate the deal, raised concerns about the offering by publicly declaring that it would have assigned only a single-A grade to the most-senior class.

The collateral is part of a $1 billion debt package that Citi and Deutsche originated April 17 for **RFR Realty** on the 831,000-square-foot building, at 375 Park Avenue.

In a negative commentary published on Monday, Fitch criticized what it said was "pro forma" underwriting of the debt. The agency said it "believes the loan on the building is unlikely to incur losses even at full debt levels." But it added that, "downgrade risk could be material in an environment similar to the recent recession with the realization of pro forma income almost impossible to predict."

Moody's begged to differ. It said it would be "overly simplistic" to evaluate the 38-story building based on in-place rents and the current occupancy rate, which is 90.2%. "The current income is below what we think of as a sustainable level," said **Tad Philipp,** director of commercial real estate research at Moody's. He noted that while his agency projected that rents would increase as leases roll over, it assumed levels well below what incoming tenants are now being charged.

Moody's CMBS ratings chief, **Nicholas Levidy,** added that if one looks only at in-place leases, then a building has no value if it's empty.

Two other transactions are slated to price next week. One is a $510 million offering backed by the senior portion of a $936.5 million debt package secured by 2,530 hotel rooms at two resorts in Orlando and another in Phoenix. J.P. Morgan originated the floating-rate debt on April 2 for a joint venture between **Winthrop Realty,** a Boston-based REIT, and New York fund shops **Blackstone** and **Paulson & Co.**

Meanwhile, **UBS** and Wells are running the books on the latest distressed-debt offering from **Rialto Capital.** The $57.2 million transaction consists of a single class of fixed-rate notes, rated "BBB-" by Kroll. Rialto paid $90.1 million for the underlying commercial mortgages and foreclosed properties, which have a face value of $157.3 million. The Miami firm projects it will recover $118 million by liquidating the assets. ❖

Elad Seeks $330 Million on Portfolio

Elad Properties is looking for $330 million of debt on a portfolio that contains five apartment properties, 112 unsold residential condominium units and a Miami Beach hotel.

The New York developer will consider fixed- and floating-rate proposals. Lenders can propose loans on the entire portfolio or on either the residential or hotel components.

About $75 million to $100 million of the total debt package will likely be structured as mezzanine debt. Elad will use the proceeds to retire existing debt.

Carlton Group of New York is advising the company, which is controlled by El-Ad Group of Israel. Elad is an active developer in the U.S. Among its high-profile deals, the company acquired the Plaza Hotel in Manhattan in 2004 and redeveloped part of it into condominiums.

The five apartment properties in the portfolio have more than 2,000 total units and an average occupancy rate of 98%. Four are in Florida and the fifth is in suburban Chicago. One apartment complex couldn't be identified. The others are:

- The 762-unit Windsor Lakes, at 7499 Woodward Avenue in Woodridge, Ill.
- The 592-unit San Michele Weston, at 1343 St. Tropez Circle in Weston, Fla.
- The 390-unit Colonnade Residences, at 1640 Northwest 128 Drive in Sunrise, Fla.
- The 246-unit Mizner on the Green, at 200 Southeast Mizner Boulevard in Boca Raton, Fla.

The 112 unsold residential condominiums are in Atlanta.

The boutique hotel — the 48-room Edgewater South Beach — is at 1410 Ocean Drive. The oceanfront property was built in 1936 and completely renovated in 2003. ❖

Emmes Team Circles Freddie B-Piece

Emmes Asset Management and fund shop **400 Capital** have agreed to buy the B-piece and interest-only strip of an upcoming $1.7 billion **Freddie Mac** securitization.

The fixed-rate transaction, which is expected to close in July, will be backed by 94 multi-family mortgages originated by Freddie lenders. The weighted average loan-to-value ratio is 70.3%. **Midland Loan Services** will be the special servicer.

New York-based 400 Capital is seeking to raise $47 million from investors to finance its portion of the purchase, which would be made via its Special Situations Fund. The projected net internal rate of return before losses is 12%, according to marketing materials distributed to investors.

Since being launched in 2008, 400 Capital has focused largely on investments in residential mortgage bonds via its flagship 400 Capital Credit Opportunities Fund. But it has also invested in commercial and multi-family debt via its Special Situations Fund, which was set up last year.

In December, 400 Capital teamed up with New York-based Emmes buy the $102.7 million B-piece of a $1.4 billion Freddie securitization (Freddie Mac Structured Pass-Through Certificates, K-023). Emmes acted on behalf of an unidentified pension fund that it advises.

Chris Hentemann, formerly global head of structured products at **Bank of America,** co-founded and heads 400 Capital. He assembled a team with whom he had worked for at least 15 years at BofA, **Credit Suisse** and **Salomon Brothers.** Two staffers are veterans of Freddie. ❖

Helaba Finances SL Green, Sutton

Helaba Bank has originated a $53 million floating-rate loan on a retail building in Midtown Manhattan.

The five-year mortgage, which closed last week, is backed by the 18,000-square-foot property at 27-29 West 34th Street, between Fifth and Sixth Avenues.

The borrower, a joint venture between **SL Green Realty** of New York and investor **Jeff Sutton,** used the proceeds to retire a construction loan from Helaba that was set to mature this year.

The SL Green partnership developed the three-story building in 2008 and leased all of the space for 15 years to two retailers: Aldo and Geox.

A couple of weeks ago, SL Green and Sutton lined up a roughly $200 million floating-rate debt package from **CIBC** and **Invesco** on another block of retail space in Midtown. The debt is backed by the 12,000-sf building at 1552 Broadway and a lease on 38,000 sf at the adjacent 222,000-sf building, at 1560 Broadway. CIBC funded the senior portion of about $170 million and is expected to syndicate it. Dallas-based Invesco took down some $30 million of mezzanine debt. ❖

KKR Taps CIBC for Albany Mall Loan

CIBC has agreed to provide about $79 million of floating-rate debt on an upstate New York mall.

The five-year loan, on the 1.3 million-square-foot Colonie Center in Albany, is expected to close by the end of the month. **Jones Lang LaSalle** is advising the borrower, a partnership led by private equity shop **Kohlberg Kravis Roberts.**

The lending assignment was heavily pursued by a number of banks, insurers and commercial MBS shops.

The KKR team gained control of the mall more than a month ago by acquiring a defaulted $112.9 million loan from **Hypo Real Estate Capital** for about $106 million in cash. The mall's previous owner, Chicago investment manager **Heitman,** had agreed to turn over the keys to the loan's buyer in lieu of foreclosure.

KKR has a 95% interest in the ownership group. Its partners are developer **Collarmele Partners** of Fort Lauderdale, Fla., **Pacific Retail Capital Partners** of El Segundo, Calif., and **Peter Fair,** a principal of **Continuum Partners** of Lakewood, Colo.

The collateral is 760,000 sf of space in the mall, which has 113 stores and is anchored by separately owned Sears and Macy's. Whole Foods is subleasing part of Sears' space and will open a store next year. The in-line space is 93% occupied. The tenants include Barnes & Noble, L.L. Bean and a 13-screen Regal Cinemas. In-line sales averaged $422/sf last year. Heitman had spent about $60 million on renovations since 2007.

The mall is at Wolf Road and Central Avenue, near an exit of Interstate 87. ❖

Sour Debt on Colo. Complex for Sale

Lenders are shopping $135 million of nonperforming debt on a residential and retail complex in suburban Denver.

The debt is backed by 111 unsold condo units and 144,000 square feet of retail space anchored by a Landmark Theatres cinema.

The collateral is part of the mixed-use Landmark complex in Greenwood Village, Colo. The recently constructed complex encompasses two buildings with 271 total condos, plus roughly 170,000 square feet of retail space in low-rise buildings.

The lenders are pitching the offering to investors interested in taking control of the collateral. **HFF** is handling the auction. Bids are due around mid-June.

The developer of the complex is locally based **Everest Development.** That company was headed by **Zachary Davidson** until he was found dead in an apparent suicide in January, weeks after a grand jury had indicted him on theft, forgery and embezzlement charges related to infrastructure work at the site.

Everest undertook the Landmark project in 2006. The two condo buildings and the interiors of many units were completed by 2009. But condo sales were slow in the wake of the financial crisis, and Everest defaulted on a $182 million construction loan from **Hypo Real Estate Capital.** After the default, Everest filed for bankruptcy protection. The Landmark property was placed in receivership the following year with a Denver real estate turnaround shop, **Miller Frishman.**

Davidson was later accused of misappropriating funds from the **Marin Metropolitan District,** an agency set up to help make improvements to public infrastructure in the Landmark area. He had headed that entity at one point.

Hypo's construction loan has a current balance of $93.8 million. The remaining debt on the complex includes a debtor-in-possession facility provided by an unidentified lender.

Of the 111 unsold condo units, about half are finished, with the rest needing minor work. The property includes a roughly 10,000-sf parcel suitable for construction of additional retail space. ❖

Small-Balance Loans Up for Grabs

A savings bank is marketing $61.8 million of performing small-balance mortgages on California properties.

Most of the 43 loans are backed by multi-family properties. The rest are tied to various types of commercial properties and land, along with some upscale single-family houses.

The loans have a $1.4 million average balance, a 5% weighted average coupon and a 17-year weighted average term. Most come with personal recourse. The collateral is concentrated in or around Los Angeles and Santa Rosa, which is about 50 miles north of San Francisco.

The seller, **Luther Burbank Savings** of Santa Rosa, will take bids May 22 via its advisor, **DebtX.**

The savings bank, founded in 1983, is named after a famous local horticulturist who died in 1926 at age 77. ❖

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space across the U.S.

Over time, the new operation could expand to make direct investments in properties.

Richard Mack disclosed the details of the spinoff in a May 9 letter that was distributed to investors in the Claros fund.

Bill Mack will step down as chairman of AREA and focus on his new company. Richard Mack, North America chief executive of AREA, will stay on as a special advisor until yearend to assist Ares with its takeover of AREA.

The price being paid by Ares wasn't disclosed in the May 10 merger announcement. The company has about $59 billion of committed capital under management globally across multiple asset classes. AREA, which Bill Mack founded in 1993 under the name Apollo Real Estate Advisors, has about $6.7 billion of committed capital under management, all in the real estate sector.

In his letter to investors, Richard Mack made clear that he intends to expand the Claros fund, saying that he sees "tremendous growth potential" and that there are "more distressed commercial real estate bond opportunities than Claros can capitalize on currently."

"My father and I are very pleased to have this opportunity to consolidate and focus our family's real estate activities, and the decision to retain ownership of Claros was central to our thinking," he wrote to investors. "Freed of our numerous non-investment responsibilities at AREA, we will both be able to allocate more time and attention to building the Claros portfolio, sourcing more opportunities and underwriting more loans, while retaining the 'boots on the ground' intelligence that a direct U.S. property-management business has always provided."

Richard Mack will serve as chief investment officer of the fund, as well as co-portfolio manager. The current portfolio manager, **John Beaman,** will move over to the new company as co-portfolio manager and will also continue as head trader. The existing investment team will also join the new firm. The shop plans to hire a chief financial officer, a director of investor relations and investment professionals in Europe soon. Claros invests in CMBS, mezzanine debt, B-notes, REIT debt and preferred shares.

The letter also hinted that the firm plans to make direct property investments. Recent press reports said the Macks are co-developing, along with **Urban Development Partners** of New York, an apartment complex at 204 Wythe Avenue in the trendy Williamsburg section of Brooklyn.

Bill Mack is also a founder of **Mack-Cali Realty** of Edison, N.J. That company was formed in 1997 by Cali Realty's $1.1 billion acquisition of Mack Co. and **Patriot American Office Group.** Bill Mack was also a real estate investment banking executive at **Shearson Lehman Hutton.** ❖

Blackstone Advances REO Strategy

A structural twist has positioned **Blackstone** as the favorite to complete the first "REO-to-rental" securitization.

Working with bookrunner **Deutsche Bank,** the asset-management giant presented **S&P** and **Morningstar** with details of a proposed transaction in recent weeks, according to sister publication **Asset-Backed Alert.** In the meantime, Blackstone is finalizing details of its issuing strategy — which already has taken a few turns.

Ever since the **Federal Housing Finance Agency** proposed in 2011 to sell foreclosed homes to investors who would convert the properties into rentals, industry professionals have been looking for ways to fund those efforts through securitization. They initially focused on the possibility of issuing bonds backed by the rental streams, but quickly encountered a range of concerns about those cash-flows.

Blackstone's deal has been in the works in varying forms for about six months. In one incarnation, for example, Deutsche suggested securitizing payments on a syndicated warehouse line of $2.1 billion that it supplies to finance purchases of "real estate owned" assets by the firm.

The latest evolution: Blackstone has set up an entity to write mortgages on many of the properties it already has purchased through the Deutsche-supplied warehouse. Under the proposed structure, those loans would serve as bond collateral — with the underlying rentals paying back the accounts.

"It's akin to securitizing a mortgage payment, with Blackstone providing a guarantee in the event of a default," one source said.

Blackstone already has rented out many of the homes it has bought, working with **Green River Capital** of Salt Lake City to manage the properties. Still, its proposal is likely to face close scrutiny from the rating agencies as they continue to wrestle with factors including whether the securitization trusts or even issuers might be liable for injuries to occupants of collateral properties. "Morningstar and S&P are trying to get comfortable with this, so I don't expect a deal will be out in the market in the next few weeks," another source said. "That said, Blackstone now has some rental-payment history. And once they get everybody comfortable with the structure, the deal should happen."

Other underwriters with REO-to-rental deals in development include **Citigroup** and **Wells Fargo.** Prospective issuers include **Carrington Holdings, Five Ten Capital, Fundamental REO, GI Partners, Private National Mortgage Acceptance** and **Waypoint Real Estate.** ❖

BofA Shops Modified NC Mortgages

Bank of America wants to shed $120.8 million of newly modified commercial mortgages on 10 office, retail and industrial properties in North Carolina.

The borrowers, special-purpose entities controlled by Charlotte developer **American Asset,** just emerged from bankruptcy. The floating-rate loans were restructured by the bank as part of a court-approved Chapter 11 reorganization plan. They now carry coupons of 425 bp over Libor, with a 4.25% floor and a 5% cap, and mature in May 2018.

The nonrecourse loans are interest-only for two years, then switch to a 30-year amortization schedule. BofA has hired **CBRE** to market the portfolio, seeking a single buyer. Bids are due June 6. The notes will be sold with the servicing rights released.

The debt, backed by properties in the Charlotte and Raleigh areas, was originated from 2004 through 2008. American Asset defaulted during the credit crunch, prompting BofA to initiate foreclosure proceedings on some properties in late 2011. The bank also moved to sell the nonperforming debt at a steep discount. At the time, the combined principal balance stood at $112 million, but the bank claimed it was owed more than $130 million, including back interest.

The foreclosures and the note sale were stymied after American Asset sued BofA for breach of contract and its 10 special-purpose entities filed jointly for bankruptcy early last year. The legal battles culminated with the bankruptcy settlement finalized late last month. After working out the new terms, BofA reclassified the mortgages in good standing.

The loans aren't cross-collateralized. Five notes, adding up to $88.8 million, are secured by 692,000 square feet of office space. The rest consist of two mortgages totaling $19.3 million on 154 acres of land suitable for development; two loans totaling $7.2 million on 37,000 sf of retail space; and a $5.5 million mortgage on a 152,000-sf warehouse within Shopton Ridge Industrial Park in Charlotte. The buildings were constructed from 2006 through 2009.

The largest mortgage in the offering has a current balance of $24.6 million. It's secured by the 211,000-sf Whitehall Corporate Center 4, a seven-story building at 3701 Arco Corporate Drive in Charlotte's Southwest submarket. Three other loans are backed by properties in the same complex, which is near Interstate 485 about nine miles from downtown Charlotte. They are a $15.5 million mortgage on Whitehall Corporate Center 5 (116,000 sf), a $14.9 million loan on Whitehall Corporate Center 6 (116,000 sf) and a $2 million note on a retail property called Centre Green at Whitehall 2 (13,000 sf).

Four loans are on properties in the Brier Creek Office Park, 12 miles northwest of downtown Raleigh at Interstate 540 and U.S. Highway 70. They amount to $17 million of debt on Brier Creek Office Park Building 6 (120,000 sf), $16.8 million on Brier Creek Office Park Building 4 (128,000 sf), $10.8 million on 45 developable acres within the complex and $5.2 million on Shoppes at Brier Creek (25,000 sf).

The offering also includes an $8.5 million loan backed by 109 acres of undeveloped land in Cary, a suburb of Raleigh. ❖

Wells Names National CMBS Director

Wells Fargo has reorganized its commercial MBS lending team, adding a national originations director to the mix.

Wayne Brandt started in the new post last week. A managing director at Wells for the past three years, Brandt had been in charge of CMBS originations in the Western U.S. Before joining the bank, he worked at **Nomura, Greenwich Capital,** and **Buchanan Street Partners,** a fund shop in Newport Beach, Calif.

In the new role, Brandt will coordinate securitization lending for institutional clients that do business with other parts of the bank around the country. He will also focus on Wells' relationships with major mortgage brokerages.

Meanwhile, managing director **Brad Wilmot** took over from Brandt as Western originations director. Wilmot had joined Brandt's team last year to focus on borrower relationships and loan origination in Southern California. He formerly worked at **J.P. Morgan.**

Wells has two other regional origination directors — **Jon Albertell** for the Northeast and Mid-Atlantic and **John Tinkey** for the Southeast and Midwest. Along with Brandt, they report to **Doug Mazer,** the bank's head of real estate capital markets. Wilmot will continue to report to Brandt for the next six months. Afterwards he will report to Mazer, whose team also includes large-loan program manager **Jon Martin.** ❖

Cantor Backs Purchase of LA Offices

Cantor Fitzgerald has originated $52.9 million of debt to help finance a joint venture's acquisition of 13 office buildings in Los Angeles.

The New York investment bank wrote three fixed-rate loans, backed by separate portions of the 411,000-square-foot portfolio. The coupons are just below 4%. The financing closed this week, in conjunction with the sale. The overall loan-to-cost ratio is about 66%, putting the price tag on the trade at about $80 million.

The collateral encompasses the 347,000-sf Warner Center Corporate Park, a 12-building complex in the Woodland Hills neighborhood, and the nearby 64,000-sf Warner Premier Building. A partnership between **Adler Realty Investments** and **LLJ Ventures** bought the package from Chicago REIT **Equity Office Properties.**

The debt package is made up of 10-year loans of $34.5 million and $9.3 million, plus a $9.2 million note with a five-year term. The breakdown of the properties backing the loans is unclear. They aren't cross-collateralized.

Warner Center Corporate Park is on 26 acres near the intersection of Canoga Avenue and Burbank Boulevard, in the San Fernando Valley about 25 miles northwest of downtown Los Angeles. The Warner Premier building is about a mile away, at 5550 Topanga Canyon Boulevard.

LLJ Ventures is the private equity arm of San Diego investment shop **LM Group.** Adler has its headquarters in the Warner Center complex. ❖

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planning to aggregate conduit loans for securitization, but left the door open to doing so down the road.

It's unclear if the hiring of Brown and his team reflects an expansion of its plans. The buzz is the pros will not start at Credit Suisse for several months. Brown didn't return messages seeking comment, and a bank spokesman declined to comment.

Brown will report to securitization banking chief **Jay Kim.** Kim and head CMBS trader **Chris Callahan** report to **Brian Chin,** head of securitized products.

Brown and his team previously had a brief stint at Credit Suisse, which they joined in 2000 when the bank acquired DLJ. The following year, they and two other Credit Suisse staffers jumped to Nomura, which was reviving its CMBS lending operation after pulling out of the market in 1998 in the wake of losses.

In 2008, Nomura exited the CMBS sector again, laying off most of its staff and selling its equity stake in two real estate CDOs to Centerline. In conjunction with the CDO sale, Centerline hired 14 Nomura staffers, including Brown, who was then Nomura's CMBS chief, and LaRocca, Stoler and Tesoriero. The group included originators, credit underwriters, capital-markets specialists and legal advisors. Centerline said that the hirings were aimed at positioning it to originate CMBS loans when the conduit market revived after the financial crisis. Brown was named head of Centerline's CMBS and commercial products group.

In 2010, **Andrew Farkas' Island Capital** acquired Centerline's special-servicing operation, which was renamed **C-III Asset Management.** Soon after, Brown and his three colleagues left to form a finance and consulting firm called **801 Capital Finance.** Last May, they moved over to BGC Real Estate, the debt and equity capital-markets division of BGC Partners, the parent of Newmark. Brown was a senior managing director of BGC, while LaRocca, Stoler and Tesoriero were managing directors. ❖

Correction

An item in The Grapevine on May 3 incorrectly described **Russell Ingrum** as head of **CBRE's** debt-placement team in San Francisco. He is managing director of the capital-markets office practice and vice chairman of the Investment Properties-Institutional Group. ❖

Drill down deep into our market statistics. Go to The Marketplace section of CMAlert.com and click on "CMBS Market Statistics," which lets you see the data points behind all the charts that Commercial Mortgage Alert publishes each week. It's free.

Brookfield ... From Page 1

BofA leases almost two-thirds of the space under agreements that expire in September. The bank inherited the leases via its takeover of **Merrill Lynch** and is expected to vacate much of that space as it consolidates employees at its new Bank of America Tower, at One Bryant Park. BofA already subleases some its space at Brookfield Place, and the subtenants may stay on. But there is significant rollover risk for the lenders.

As a result, Brookfield is providing a corporate guarantee on 20% of the debt, in addition to the value of the collateral. One lender said the risk to the lenders is reduced to the point that the loan could be viewed as Brookfield corporate debt "with an asset on the side."

Brookfield is in the midst of repositioning the office complex to make it attractive to a broader mix of tenants. Financial companies like Merrill and **Lehman Brothers** long dominated the rent roll — hence the World Financial Center name. But many Wall Street firms and banks are in contraction mode. Brookfield is aiming to attract technology and media firms, leading it to rebrand the property as Brookfield Place at year-end. It is also in the midst of a $250 million renovation of the complex's retail space, including the development of a 600-seat dining terrace overlooking the Hudson River and a 25,000-sf European-style marketplace.

The property faces competitive headwinds from several office towers in the area — including the 2.6 million-sf One World Trade Center — that will be completed over the next year or two.

Brookfield will use some of the proceeds of the new loan to retire $349 million of floating-rate debt on 250 Vesey Street and $46 million of fixed-rate debt, with a 6.91% coupon, on 225 Liberty Street. Those nonrecourse loans mature in September.

All told, BofA leases 4.6 million sf at Brookfield Place, including virtually all of Tower 2 and 800,000 sf at Tower 4. BofA currently occupies 2.7 million sf and subleases the rest. ❖

Loans Recently Transferred to Special Servicing

	Current Balance ($Mil.)	Type	Loan Date	Maturity Date	Sent to Special Servicer	Status	Securitization
Atrium hotel portfolio	$242.7	Fixed	8/11/06	9/1/16	5/7/13	Current	MLCFC 06-3
Magic Sands Mobile Home Park, San Jose	38.5	Fixed	3/23/07	4/1/17	4/29/13	Current	GECMC 07-C1
Prium Washington office portfolio	35.1	Fixed	9/29/04	10/12/17	4/15/13	30-59 days late	MLMT 05-MCP1
Budco headquarters, Highland Park, Mich. (Industrial)	19.1	Fixed	12/1/05	12/1/12	4/15/13	Matured, nonperf.	COMM 06-C7
Grand Bank Center, Palm Beach Gardens, Fla. (Office)	15.5	Fixed	5/17/07	6/1/17	5/2/13	In foreclosure	MLMT 07-C1
Walnut Crossing, Monroeville, Pa. (Multi-family)	15.3	Fixed	5/3/07	6/8/17	4/9/13	Current	MSC 07-HQ12
6321-6361 Grapevine, N. Richland Hills, Texas (Office)	15.1	Fixed	3/3/11	3/6/16	4/29/13	Current	GSMS 11-GC5
REVA North Carolina portfolio (Industrial)	13.2	Fixed	11/28/06	12/1/16	4/12/13	30-59 days late	CD 07-CD4
Richmar Plaza, Las Vegas (Mixed-use)	13.0	Fixed	9/27/07	10/1/17	4/22/13	Current	BACM 07-5
Harrisburg-area Pennsylvania industrial portfolio	11.6	Fixed	4/26/07	5/6/17	4/16/13	90+ days late	GSMS 07-GG10
326 Warren Street, Brooklyn (Multi-family)	11.4	Fixed	6/8/04	7/1/34	4/10/13	30-59 days late	JPMCC 04-CIBC9
Galveston apartment portfolio, Galveston, Texas	11.4	Fixed	10/27/04	11/1/14	4/25/13	Current	JPMCC 05-CIBC11
39-25 51st, 39-20 52nd, Woodside, N.Y. (Multi-family)	10.9	Fixed	2/22/06	3/1/16	4/24/13	Current	MSC 06-IQ11
LXP-LA Media Tech, Building 5, Los Angeles (Office)	10.2	Fixed	4/18/05	5/1/15	4/4/13	90+ days late	JPMCC 05-CIBC12
7500 West 110th Street, Overland Park, Kan. (Office)	9.8	Fixed	8/27/07	9/1/17	4/15/13	90+ days late	JPMCC 07-CIBC20
Washington Tower Center, Portland, Ore. (Mixed-use)	8.5	Fixed	1/31/05	2/11/15	4/15/13	Current	JPMCC 05-LDP1
Randstad Building, Marietta, Ga. (Office)	7.4	Fixed	4/24/07	5/1/17	4/15/13	Current	CGCMT 07-C6
Paradise Falls, Phoenix (Multi-family)	6.8	Fixed	3/1/03	3/1/13	4/25/13	Matured, nonperf.	GSMS 03-C1
Cypress Springs, Las Vegas (Multi-family)	6.0	Fixed	3/14/03	4/1/13	4/12/13	Matured, nonperf.	WBCMT 03-C5

Source: Trepp

RATED SERVICERS

Approved US Primary, Master and Special Servicers

The listing below shows commercial mortgage servicers rated by **S&P, Fitch, Morningstar** and **Kroll.**

Primary servicers, also called sub-servicers or loan servicers, handle individual mortgages that collateralize commercial MBS. Master servicers oversee primary servicers. Special servicers oversee securitized mortgages that become distressed and any resulting foreclosed properties.

S&P rates servicers as: Strong, Above Average, Average, Below Average or Weak. Servicers can request that their ratings be undisclosed. The agency also rates servicers with specialties in small-balance loans or construction loans.

Fitch rates primary (CPS), master (CMS) and special (CSS) servicers from "1" (the highest rating) to "4" (the lowest rating). It also has ratings for primary servicers of small-balance commercial loans (SBPS), as well as special servicers of commercial large loans (CLLSS) and small-balance commercial loans (SBSS).

Morningstar assigns primary, master and special servicers with operational risk assessments from a high of "CS1" to a low of "CS4." Servicers of small-balance commercial mortgages are rated "SBC1" to "SBC4".

Kroll awards the designation of "Pass" to qualified primary, master and special servicers.

	Contact	Primary Servicer	Master Servicer	Special Servicer
Aegon USA Realty Advisors	Lindsay Schumackher 319-355-8000	S&P: Strong		S&P: Above Avg. Fitch: CSS2-
Arbor Commercial Mortgage	John Natalone 516-506-4200	S&P: Undisclosed Fitch: CPS2		S&P: Undisclosed Fitch: CSS3+
Ares Commercial Real Estate Services	Henry Bieber 312-324-5955	S&P: Above Avg.		S&P: Average
Bank of America Merrill Lynch	Dean Roberson 704-317-0750	S&P: Strong Fitch: CPS1 Morningstar: CS2 Kroll: Pass	S&P: Strong Fitch: CMS2+ Morningstar: CS2 Kroll: Pass	S&P: Above Avg. Fitch: CSS2 Morningstar: CS2 Kroll: Pass
Bayview Loan Servicing	Jason Whipple 305-342-2297	S&P: Strong (small loans) Fitch: SBPS2		S&P: Strong (small loans) Fitch: SBSS2
Berkadia Commercial Mortgage	Mark McCool 215-328-1258	S&P: Strong Fitch: CPS1- Morningstar: CS1 Kroll: Pass	S&P: Strong Fitch: CMS2 Morningstar: CS1 Kroll: Pass	S&P: Strong Fitch: CSS1- Morningstar: CS1
Berkeley Point Capital	Ira Strassberg 301-347-4835	Fitch: CPS2		Fitch: CSS3+
BNY Mellon	Michael Randall 972-401-8512	S&P: Above Avg. Fitch: CPS2	S&P: Average Fitch: CMS3+	S&P: Average Fitch: CSS3
Brookfield Real Estate Financial	Terry Hoyt 212-417-7286			S&P: Average Fitch: CLLSS2-
C-III Asset Management	Paul Smyth 972-868-5300	S&P: Above Avg. Fitch: CPS2		S&P: Strong Fitch: CSS1- Morningstar: CS1
Capital Crossing Servicing	Robert Banaski 617-880-1000	S&P: Average (small loans)		S&P: Above Avg. (sm. loans)
CBRE Loan Services	Jeff Majewski 713-787-1994			S&P: Undisclosed
CIBC	Karin O'Callahan 212-667-5621	S&P: Undisclosed Fitch: CPS3+		S&P: Undisclosed Fitch: CSS3+
Cohen Financial	Tim Mazzetti 312-602-6144	S&P: Above Avg.		S&P: Average
Colony AMC OPCO	Tyler Ferrer 310-552-7144			S&P: Undisclosed
Columbia National Real Estate	Steve Rogers 202-872-0743	Fitch: CPS2-		

See SERVICERS on Page 17

RATED SERVICERS

... From Page 16

	Contact	Primary Servicer	Master Servicer	Special Servicer
Cornerstone Real Estate	Thomas Kelley 860-509-2328	Fitch: CPS2+		Fitch: CSS2
CT Investment Management	Tom Ruffing 212-655-0216			S&P: Undisclosed Fitch: CSS2-
CWCapital	Brian Hanson 202-715-9510			S&P: Strong Fitch: CSS1- Kroll: Pass
Deutsche Bank	Amy Sinensky 212-250-4063	S&P: Undisclosed	S&P: Undisclosed	S&P: Undisclosed
Five Mile Capital	Jim Glasgow 203-905-0990			S&P: Above Avg. Fitch: CLLSS3+
Freddie Mac (Multi-family division)	Michael Lipson 703-714-2710			Fitch: CSS2-
GE Capital Realty	Mike Hudspeth 972-447-2550			S&P: Strong Fitch: CSS2+
GEMSA Loan Services	Joseph Beggins 713-458-7200	S&P: Strong Fitch: CPS1	S&P: Strong Fitch: CMS1-	
Grandbridge Real Estate Capital	Joe Lovell 704-379-6998	S&P: Above Avg.		
Green Loan Services	Andrew Falk 212-216-1656			S&P: Above Avg. Fitch: CLLSS2
Greystone Servicing	Mark Jarrell 540-341-2100	S&P: Strong		
HFF	David Croskery 713-852-3588	Fitch: CPS2		Fitch: CSS3
HSBC Bank USA	John Kuberra 212-525-6273	S&P: Undisclosed		
Hudson Advisors	Robert Corcoran 214-754-8400	S&P: Undisclosed Fitch: CPS3+		S&P: Undisclosed Fitch: CSS2
ING Investment	Christian Baggett 770-690-4695	Fitch: CPS2-		Fitch: CSS3+
iStar Asset Services	Barbara Rubin 860-815-5900	S&P: Strong		S&P: Above Avg.
KeyCorp	Marty O'Connor 816-460-2170	S&P: Strong Fitch: CPS1 Morningstar: CS1 Morningstar: SBC1 Kroll: Pass	S&P: Strong Fitch: CMS1 Morningstar: CS1 Kroll: Pass	S&P: Strong Fitch: CSS2+ Morningstar: CS1 Morningstar: SBC1 Kroll: Pass
LNR Partners	Michael Vassilaros 305-695-5494			S&P: Strong S&P: Above Avg. (constr.) Fitch: CSS1-
Midland Loan Services	Stacey Berger 301-986-5818	S&P: Strong Fitch: CPS1 Morningstar: CS1 Kroll: Pass	S&P: Strong Fitch: CMS1 Morningstar: CS1 Kroll: Pass	S&P: Strong Fitch: CSS1 Morningstar: CS1 Kroll: Pass
NCB	Kathleen Luzik 703-302-8851	S&P: Above Avg. Fitch: CPS1-	S&P: Average Fitch: CMS2-	S&P: Average Fitch: CSS3+
Newmark Realty Capital	Michael Heagerty 415-956-9854	S&P: Undisclosed		

See SERVICERS on Page 18

RATED SERVICERS

... From Page 17

	Contact	Primary Servicer	Master Servicer	Special Servicer
NorthMarq Capital	Karen Pribnow 952-356-0060	S&P: Above Avg.	S&P: Average	
NorthStar Realty Finance (NS Servicing)	Daniel Gilbert 212-547-2680			S&P: Average Fitch: CSS3+
Ocwen Loan Servicing	William Stolberg 561-682-8275	S&P: Average (small loans) Fitch: SBPS2- Morningstar: SBC2		S&P: Average S&P: Above Avg. (sm. loans) Fitch: CSS2- Fitch: SBSS2- Morningstar: CS3 Morningstar: SBC2
ORIX Capital Markets	Mark Pakes 214-237-2050			S&P: Above Avg. Fitch: CSS2
Pacific Life	Shari Montgomery 949-219-7352	S&P: Strong Fitch: CPS1	S&P: Above Avg. Fitch: CMS2+	S&P: Above Avg. Fitch: CSS2
Principal Global Investors	Steve Johnson 515-246-7095	S&P: Strong		S&P: Above Avg.
Protective Life	Charles Windham 205-268-3590	Fitch: CPS3+	Fitch: CMS3	Fitch: CSS3+
Prudential Asset Resources	Hal Collett 214-721-6032	S&P: Strong Fitch: CPS1 Morningstar: CS1	S&P: Above Avg. Fitch: CMS2+ Morningstar: CS2	S&P: Above Avg. Fitch: CSS2-
Quantum Servicing	Robert Maglio 813-472-6515	S&P: Average (small loans)		S&P: Average (small loans)
RAIT Financial	Jennifer Seltzer 215-243-9121	S&P: Average Morningstar: CS3		S&P: Average Morningstar: CS3
Rialto Capital	Thekla Salzman 305-229-6465			S&P: Above Avg. Fitch: CSS2- Kroll: Pass
Sabal Financial	Vartan Derbedrossian 949-517-0801			Fitch: CSS3 Morningstar: CS3
Situs	Christopher Hyatt 713-328-4458	S&P: Above Avg. Fitch: CPS3+ Morningstar: CS2	Situs: Undisclosed	S&P: Above Avg. Fitch: CSS2 Morningstar: CS2
Strategic Asset Services	Ted Niedermayer 212-671-6305	S&P: Undisclosed		S&P: Undisclosed Fitch: CSS3
Talmage	Edward Shugrue 212-381-4146			S&P: Undisclosed Fitch: CLLSS3+
Torchlight Loan Services	Steve Altman 212-883-2698			S&P: Above Avg. Fitch: CSS2
TriMont Real Estate Advisors	Henry Cobb 404-420-5967	S&P: Strong (constr.) Fitch: CPS2 Kroll: Pass		S&P: Above Avg. Fitch: CSS2 Kroll: Pass
Urdang Capital	Todd Briddell 610-818-4650			Fitch: CLLSS3+
Valstone Asset Management	Hee-Jin Yi 248-646-9200			S&P: Average
Waterstone Asset Management	John Church 704-926-6505			S&P: Undisclosed
Wells Fargo	Daniel Bober 248-723-3110	S&P: Above Avg. Fitch: CPS2+ Morningstar: CS2 Kroll: Pass	S&P: Above Avg. Fitch: CMS2 Morningstar: CS2 Kroll: Pass	S&P: Above Avg. Fitch: CSS2- Morningstar: CS2 Kroll: Pass

Commercial Mortgage ALERT
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THE WEEKLY UPDATE ON REAL ESTATE FINANCE AND SECURITIZATION

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Andrew Albert
Publisher

INITIAL PRICINGS

GS Mortgage Securities Trust, 2013-GCJ12

Pricing date:	May 16
Closing date:	May 30
Amount:	$1,197.5 million
Seller/borrower:	Jefferies LoanCore, Citigroup, Goldman Sachs, MC-Five Mile, Archetype Mortgage Capital
Lead managers:	Goldman Sachs, Jefferies & Co., Citigroup
Co-manager:	Wells Fargo
Master servicer:	Wells Fargo
Special servicer:	Rialto Capital
Operating advisor:	Situs Holdings
Trustee:	Deutsche Bank
Certificate administrator:	Wells Fargo
Offering type:	SEC-registered

Property types: Retail (34.9%), multi-family (20.8%), hotel (14.6%), mixed-use (12.1%), industrial (11.8%), office (4.1%), manufactured housing (1.1%) and self-storage (0.6%).
Concentrations: New York (16.3%), Pennsylvania (13.4%) and Florida (12.4%).
Loan contributors: Jefferies LoanCore (37.4%), Citi (31.4%), Goldman (17.7%), MC-Five Mile (7%) and Archetype (6.5%).
Largest loans: A $100 million loan to CBL & Associates on Friendly Center, a 995,000-sf lifestyle center in Greensboro, N.C.; a $75 million loan to Sunny Chiu, Michael Lee and Christian Lee on a 425,000-sf retail/office condominium at the mixed-use Queens Crossing building in Flushing, N.Y.; a $61.9 million loan to Michael Joseph on the 648-unit Eagle Ridge Village apartment complex in Evans Mills, N.Y.; a $57 million loan to Jeffery O'Neill and Square Mile Partners 4 on four industrial properties, encompassing 1.5 million sf, in eastern Massachusetts; a $51 million loan to Ralph Burnet and Ryan Cos. on the 229-room W Hotel in Minneapolis; a $40.8 million loan to New Century Associates on the 254,000-sf Marketplace at Huntington Valley in Upper Moreland, Pa.; a $40 million loan to George Laham on the 279,000-sf Bradley Fair Shopping Center in Wichita, Kan.; a $37.5 million loan to David Bistricer on the 292,000-sf mixed-use building at 250 Livingston Street in Brooklyn; a $34.5 million loan to Julie Dumon, Graham Hershman and Bixby Bridge Fund 1 on the 215-room Amalfi Hotel in Chicago.
B-Piece buyer: Rialto Capital.
Notes: Jefferies LoanCore, Citi, Goldman, MC-Five Mile and Archetype teamed up to securitize commercial mortgages that they had originated. See article on Page 3. **CMA code:** 20130050.

Class	Amount ($Mil.)	Rating (S&P)	Rating (Fitch)	Subord. (%)	Coupon (%)	Dollar Price	Yield (%)	Maturity (Date)	Avg. Life (Years)	Spread (bp)	Note Type
A-1	84.631	AAA	AAA	30.00	0.742	99.998	0.736	6/10/46	2.54	S+30	Fixed
A-2	134.221	AAA	AAA	30.00	2.011	102.999	1.362	6/10/46	4.83	S+47	Fixed
A-3	200.000	AAA	AAA	30.00	2.860	100.999	2.750	6/10/46	9.74	S+80	Fixed
A-4	313.849	AAA	AAA	30.00	3.135	102.998	2.795	6/10/46	9.89	S+82	Fixed
A-AB	105.525	AAA	AAA	30.00	2.678	102.994	2.231	6/10/46	7.27	S+75	Fixed
A-S	80.829	AAA	AAA	23.25	3.375	102.999	3.035	6/10/46	9.94	S+105	Fixed
B	86.817	AA-	AA-	16.00	3.777	102.994	3.435	6/10/46	9.94	S+145	Fixed
C	55.383	A-	A-	11.38	4.179	102.993	3.835	6/10/46	9.94	S+185	Fixed
D	49.395	BBB-	BBB-	7.25	4.620	95.919	5.085	6/10/46	9.94	S+310	Fixed
E	32.931	BB	BB	4.50				6/10/46	9.94		Fixed
F	11.974	BB-	B	3.50				6/10/46	9.94		Fixed
G	41.912	NR	NR	0.00				6/10/46	9.94		Fixed
X-A	919.055*	AAA	AAA					6/10/46			Fixed
X-B	142.200*	A-	A-					6/10/46			Fixed
X-C	86.817*	NR	NR					6/10/46			Fixed

*Notional amount

INITIAL PRICINGS

Citigroup Commercial Mortgage Trust, 2013-375P

Pricing date:	May 16
Closing date:	May 29
Amount:	$573.8 million
Seller/borrower:	RFR Realty
Lead managers:	Citigroup, Deutsche Bank
Master servicer:	Wells Fargo
Special servicer:	Wells Fargo
Trustee:	U.S. Bank
Certificate administrator:	Citigroup
Offering type:	Rule 144A

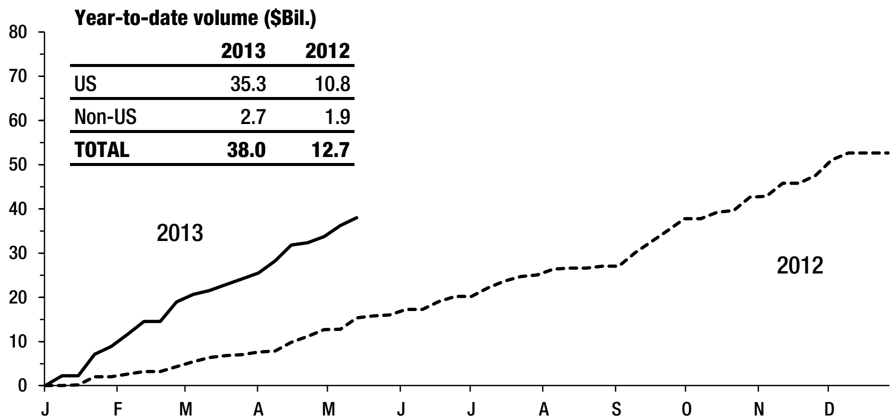
Property types: Office (100%).
Concentrations: New York (100%).
Loan contributors: Citi (68.2%) and Deutsche (31.8%).
Notes: Citi and Deutsche teamed up to securitize $573.75 million of a $1 billion fixed-rate debt package they had originated on a 50-50 basis on April 17 for RFR Realty on the Seagram Building, at 375 Park Avenue in Manhattan. The 10-year debt package consists of $782.75 million of senior debt (structured as a $418 million A-note and a $364.75 million B-note), as well as $217.25 million of mezzanine debt. In this transaction, Citi contributed its $209 million portion of the A-note, and Citi and Deutsche supplied all of the B-note. Deutsche plans to securitize its portion of senior debt separately. The senior debt has a 3.53% coupon. The two banks placed the senior $142.25 million mezzanine piece, with a 5.65% coupon, with TIAA-CREF and the $75 million junior mezzanine portion, with a 7.15% coupon, with two unidentified hedge funds. The 831,000-sf Seagram Building was appraised at $1.6 billion. RFR used $685 million of the proceeds from the debt package to retire $535 million of existing debt and $150 million of preferred equity. After paying other expenses, including $60.7 million of defeasance and prepayment costs for the existing loan, the company had $224.2 million of cash left over. Citi originally planned to include only $75 million of its portion of the A-note in this transaction, but upsized its contribution because of strong investor demand for triple-A paper. See article on Page 3. **CMA code:** 20130092.

Class	Amount ($Mil.)	Rating (Moody's)	Rating (Kroll)	Subord. (%)	Coupon (%)	Dollar Price	Yield (%)	Maturity (Date)	Avg. Life (Years)	Spread (bp)	Note Type
A	209.000	Aaa	AAA	46.60	3.251	102.998	2.912	5/10/35	9.95	S+92	Fixed
B	121.563	Aa3	A-	31.07	3.634	102.019	3.342	5/10/35	9.95	S+135	Fixed
C	67.837	A3	BBB-	22.40	3.634	98.706	3.742	5/10/35	9.95	S+175	Fixed
D	66.500	Baa3	BB	13.91	3.634	93.208	4.442	5/10/35	9.95	S+245	Fixed
E	108.850	Ba3	NR	0.00	3.634	88.387	5.097	5/10/35	9.95	S+310	Fixed
X-A(IO)	209.000*	Aaa	AAA					5/10/35	9.95		Fixed
X-B(IO)	121.563*	NR	AAA					5/10/35	9.95		Fixed

*Notional amount

MARKET MONITOR

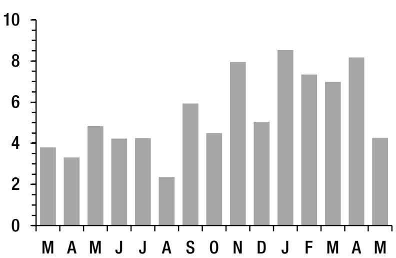
WORLDWIDE CMBS



Year-to-date volume ($Bil.)	2013	2012
US	35.3	10.8
Non-US	2.7	1.9
TOTAL	**38.0**	**12.7**

US CMBS

MONTHLY ISSUANCE ($Bil.)



CMBS TOTAL RETURNS

CMBS INDEX

As of 5/15	Avg. Life	Total Return (%) Month to Date	Year to Date	Since 1/1/97
Inv.-grade	3.8	-0.1	1.1	196.7
AAA	3.7	-0.2	0.3	181.4
AA	3.7	0.0	1.1	83.3
A	3.9	0.0	2.2	68.9
BBB	3.9	0.3	4.2	75.0

Source: Barclays

LOAN SPREADS

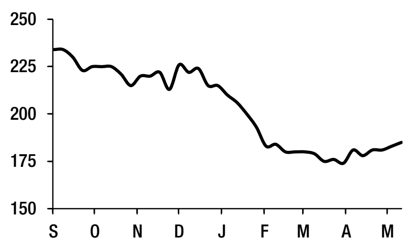
ASKING SPREADS OVER TREASURYS

10-year loans with 50-59% LTV

	5/10	Month Earlier
Office	185	178
Retail	174	172
Multi-family	164	164
Industrial	174	178

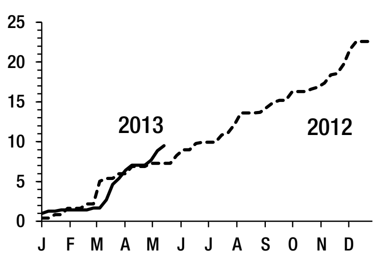
Source: Trepp

ASKING OFFICE SPREADS

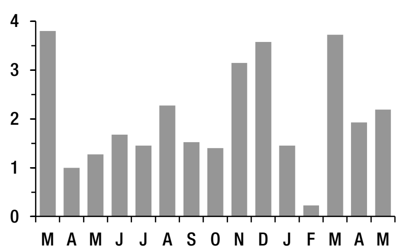


REIT BOND ISSUANCE

UNSECURED NOTES, MTNs, ($Bil.)



MONTHLY ISSUANCE ($Bil.)

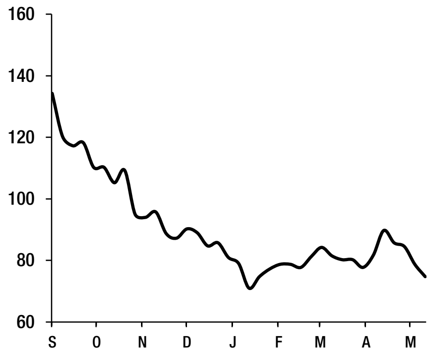


Data points for all charts can be found in The Marketplace section of CMAlert.com

CMBS SPREADS

NEW-ISSUE SPREAD OVER SWAPS

10-Year AAA



New Issue Fixed Rate (Conduit)	Avg. Life	Spread (bp) 5/15	Week Earlier	52-wk Avg.
AAA	5.0	S+37	S+41	62
	10.0	S+75	S+79	106
AA	10.0	S+121	S+131	195
A	10.0	S+157	S+158	279
BBB	10.0	S+248	S+267	426

Legacy Fixed Rate (Conduit)	Avg. Life	Spread (bp) 5/15	Week Earlier	52-wk Avg.
AAA	5.0	S+60	S+57	+103
	10.0	S+70	S+63	+150
AA	10.0	S+1,277	S+1,311	+1,649
A	10.0	S+1,877	S+1,926	+2,269
BBB	10.0	S+3,387	S+3,477	+3,921

Markit CMBX 5	Dollar Price 5/15	Week Earlier	52-wk Avg.
AAA	97.4	97.7	94.6
AA	51.5	51.6	46.4
A	29.0	27.9	27.8
BBB	17.3	17.3	17.7
BB	4.9	4.9	5.0

Sources: Trepp, Markit

AGENCY CMBS SPREADS

FREDDIE K SERIES

	Avg. Life	Spread (bp) 5/15	Week Earlier	52-wk Avg.
A1	7.0	20	20	27
A2	7.0	28	28	36
A2	10.0	50	50	51
B	7.0	150	155	223
C	7.0	240	245	351

FANNIE DUS

	5/15	Week Earlier	52-wk Avg.
10/9.5 TBA (60-day settle)	59	59	66

Source: J.P. Morgan

THE GRAPEVINE

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Deutsche Bank, as well as stints at **First Union** and **Donaldson, Lufkin & Jenrette.**

RBS Citizens hired **Jonathan Hirshey** this week as a senior vice president in New York. Hirshey, an attorney, most recently was director of capital markets at investment manager **Interventure Advisors.** He joined that New York firm last year, after two years doing advisory work at **Chatham Capital** of Kennett Square, Pa. Before that, Hirshey was an originator in the New York office of German lender **Eurohypo.**

Jim Kerner and **Shira Levy** joined **Barclays**' conduit underwriting group last month as vice presidents. Kerner was formerly a senior asset manager at **Greystone & Co.** of New York, and before that worked at **Nomura.** Levy spent four years at **J.P. Morgan.** Both report to Barclays managing director **Spencer Kagan.**

Jay Lugosch joined **Broadacre Financial** this week as a director. Lugosch focuses on underwriting for the New York advisory shop, which brokers commercial mortgages and advises clients on loan workouts and restructurings. Like Broadacre founder **Chris Haynes,** Lugosch is an alumnus of **Merrill Lynch,** where he worked from 2003 to 2008. He spent the past year-and-a-half at **Johnson Capital** of Irvine, Calif. Broadacre is likely to add more staff later this year.

Alston & Bird has hired two more commercial real estate finance associates in Charlotte. **James Lucarello** started at the Atlanta-based law firm April 29, after working as an associate at **Paul Weiss** in New York since 2010. **Scott Rudd** arrived Monday from **Ciena Capital** of New York, where he was a vice president in Charlotte working on special servicing. He previously worked at several law firms, most recently **Brock & Scott.** Lucarello and Rudd joined Alston's global finance and debt-products practice, led by partners **Rick Blumen** and **Bob Sullivan.**

Schulte Roth is looking to add about three associates to its New York commercial real estate group, which is led by partner **Jeff Lenobel.** Candidates should have a background in origination, acquisition and disposition of commercial mortgages, including senior and mezzanine debt. The firm will also consider lawyers who have focused on preferred-equity investments. Resumes and law-school transcripts should be sent to: recruiting.department@srz.com.

Commercial MBS analyst **Catie Abrams** joined **MatlinPatterson** from **Bank of America** on Monday. Working with head CMBS trader **Dan McNamara,** Abrams will help evaluate bonds the New York asset manager owns or wants to buy. Both work for portfolio managers **Noelle Savarese** and **Marc Rosenthal.** At BofA, Abrams had been a strategist on the CMBS research team in New York since 2010.

CapitalSource is looking to hire at least four staffers to its commercial real estate group. The analyst and associate posts are in New York, Orlando and Chevy Chase, Md. Qualifications include 2-5 years of experience and strong analytical and technical-writing skills.

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Commercial Mortgage Alert (ISSN: 1520-3697), Copyright 2013, is published weekly by Harrison Scott Publications Inc., 5 Marine View Plaza, Suite 400, Hoboken, NJ 07030-5795.