

MANNTM REPORT

JANUARY 2016

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THE PEOPLE BEHIND THE DEALS IN THE NY REAL ESTATE SCENE

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the features

Making Real Estate Law Magical

Malcolm K. Montgomery, Partner, Shearman & Sterling LLP



From Manhattan to Mexico City, Toronto and global destinations beyond, Malcolm Montgomery is the lawyer behind some of the world's largest and most challenging real estate transactions. As the Shearman & Sterling partner who leads the Real Estate Finance practice and co-leads the REIT Affinity Group, his work spans domestic and cross-border real estate financings and credit facilities for real estate investment trusts and major real estate companies.

The scope of his practice includes advising on workouts and restructurings of construction loans, permanent and mezzanine loans and credit facilities. Dealing with diverse financial and legal criteria in multiple nations, Mr. Montgomery handles financings involving various currencies and jurisdictions. In addition, he is considered an expert in hotel financing worldwide.

"One of the most exciting aspects of the work we do is watching developments take shape," said Mr. Montgomery. "Representing the lenders to a well-known developer, we closed a massive construction loan that enabled them to build a platform over active rail lines. Their extraordinary achievement was the first step in the development of One Manhattan West. This building will be the gateway to a completely new Manhattan neighborhood. And we were there at the very beginning."

Mr. Montgomery and his team often represent lenders in multibillion dollar transactions, such as Deutsche Bank's construction financing of the Trump International Hotel & Tower in Chicago and Citibank's \$1.05 billion in financings for LaSalle Hotel Properties, a REIT invested in a large portfolio of upscale, full-service hotels.

But among Mr. Montgomery's most innovative and highest profile deals was the \$500 million revolving credit facility for Terrafina FIBRA, in connection with its initial public offering. Working for lender Banamex, the transaction represented the first-ever corporate revolving credit line for a Mexican REIT.

Magical feats, however, are nothing new for Mr. Montgomery. A one-time member of the Society of American Magicians, his earliest professional accomplishments began with sleight-of-hand long before becoming a dexterous legal thinker. At Princeton, magic became an avocation -- entertaining his friends while studying for his A.B. He attended New York University to study for his J.D. and was honored as a member of the Order of Barristers.

During law school, his already estimable academic credentials brought him several internships. Following graduation and passing the bar, he

took a position in New York at O'Melveny & Myers, starting as an associate and quickly working his way to partner. In 2001, he joined Shearman & Sterling LLP as a partner, where for nearly 15 years he has practiced with the firm's Real Estate Group.

His work entails a great deal of traveling and his familiarity with the Japanese language and culture made him a leader in Asia-based transactions. But the greatest activity he is currently seeing lies south of the border, rather than across the Pacific.

"There has been a growing phenomenon in investment in Mexican market REITs over the past few years," said Mr. Montgomery. "A recent transaction we handled enabled a Mexican REIT, or FIBRA, to significantly upsize its existing line of credit. This gave it both access to additional funds and greater flexibility to grow. Many other loans are being arranged for FIBRAs, which in turn are investing in projects within Mexico and branching out to world markets."

Mr. Montgomery has also worked on behalf of U.S.-based lenders in their Mexican transactions, such as the development of a real estate secured lending program with MetLife. That program has included the origination of more than \$2 billion in loans secured by real estate of various types throughout Mexico.

Loans for hotel development and acquisition represent another significant part of Mr. Montgomery's practice. He was instrumental in arranging the \$412.5 million acquisition and construction financing of the Four Seasons Resort Hualalai in Hawaii on behalf of a Deutsche Bank affiliate. He represented the lender in a foreclosure of a \$70 million mezzanine loan and acquisition of ownership interests in the St. Regis Monarch Beach Resort in Dana Point, CA, a storied beachfront hotel.

Highly regarded in legal communities, as well as in big business and the real estate industry, Mr. Montgomery is often referenced as a leader by international publications. He has been named repeatedly in the prestigious Chambers USA --America's Leading Lawyers for Business. He is annually listed in The International Who's Who of Real Estate Lawyers and The International Who's Who of Business Lawyers, as well as the Who's Who Legal 100 and The Best Lawyers in America.

Unpretentious, with a wry sense of humor and an all-encompassing grasp on international business law, Malcolm Montgomery is a quietly imposing figure. His reputation for integrity is legion among his peers, and he's still great at card tricks.

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