

# Private capital funds core to next wave of structured finance expansion — new Latham partner Franz Ranero

by **Shant Fabricatorian**

Latham & Watkins has substantially expanded its structured finance practice in London this week, with partners Franz Ranero and James Smallwood heading a team of 11 lawyers that started work at the firm on Monday.

The team has moved across from A&O Shearman, and includes counsel Jasleen Gill, along with eight associates. *Creditflux* first reported the move in April.

Speaking to *Creditflux* after commencing his new role this week, Ranero said that Latham offered an exciting opportunity for growth in the more private, bespoke financings that share common features with CLOs and asset-backed loans.

“We have a pre-eminent position in the public CLO market, and we will certainly retain and continue building on that,” Ranero said. “But the real growth will be outside those public markets, which is where Latham’s ties with sophisticated private capital investment firms can be brought to bear at an institutional level.”

According to Ranero, private credit funds and other private capital funds are, and will continue to be, a core driver for expansion in the field. Looking for more efficient ways to finance and leverage themselves, these funds have increasingly created demand for work that relies on the legal and structuring technology familiar to CLO lawyers.

“It does seem to us that it’s the ideal springboard for the next wave of the credit markets, where we think these products and structures are going to be core to the



*Franz Ranero: ‘the real growth will be outside those public markets’*

development of those markets,” Ranero said.

Ranero spent over 24 years — the vast majority of his career — at A&O Shearman, where he was founder and leader of the Global CLO Group. He is listed as a leading structured finance lawyer (Band 1) in Chambers, and listed in the Hall of Fame as a leading securitisation lawyer in Legal 500, where he is referred to as “the Grand Master” of the CLO market.

Smallwood joined A&O in 2012. His structured finance practice covers public CLO transactions, warehouse financings, fund financings and asset-backed loan transactions, originator financings and private

placements. He has worked as an adviser to the European CLO market on both the arranger and manager side.

Since Latham confirmed the recruitment of Ranero and Smallwood two months ago, A&O Shearman has also lost US leveraged finance partners Alexandra de Padua and Frank Oliver to Proskauer Rose, and seven US structured finance and CLO attorneys to Sidley Austin.

A spokesperson at A&O Shearman did not respond to requests for comment.