

Securitization

Securitization permits issuers to finance more efficiently by issuing securities that are more closely tailored to defined revenue streams than conventional revenue obligations. This practice draws upon our unique combination of public finance expertise and depth of experience with portfolio finance, specific governmental assets and governmental debt authorization and contracting issues. Hawkins has been a leading law firm during the growth of tobacco settlement payment securitizations, student loan securitization and mortgage pass-through bonds. Our securitization practice complements our long history of acknowledged expertise in crafting financing structures that become market standards to monetize a variety of dedicated tax and governmental payment streams.

Tobacco Settlement Payments

The Master Settlement Agreement was entered into by participating tobacco product manufacturers, 46 states and six other U.S. jurisdictions in November 1998 in settlement of certain smoking-related litigation. Under the MSA, participating tobacco product manufacturers are required to make annual payments to the participating states and jurisdictions in perpetuity.

Since 1999, the year when the first tobacco settlement revenue securitizations were completed, Hawkins has been the leading law firm in the country for all tobacco bond issues, serving as bond counsel, disclosure counsel or underwriters' counsel. Hawkins has extensive experience in a variety of transaction structures, including securitizations of residual revenues, securitizations by county issuers, partial securitizations, senior/subordinate structures, refundings, negotiated purchases, and turbo redemption bonds. We conduct research on the tobacco product manufacturers, including federal and state regulation thereof, the domestic tobacco industry, bankruptcy matters relating to the MSA and the sale of tobacco settlement revenues by the states to their tobacco issuers, as well as litigation, arbitration and settlement matters in connection with the MSA, including recent settlements regarding the non-participating manufacturers adjustment under the MSA.

Hawkins attorneys participated in the first two state tobacco financings (Alabama and Alaska). Since the inception of these financing programs, we have served as transaction counsel (or otherwise denominated counsel rendering the special MSA and bankruptcy opinions) for state securitizations in:

- Alabama
- Alaska
- California
- District of Columbia
- Iowa
- Louisiana
- Michigan
- New Jersey
- New York
- Ohio
- Rhode Island
- South Dakota
- Washington
- West Virginia

We are the only law firm to have participated in nearly every tobacco transaction in recent years.

We have also served as underwriters' counsel or disclosure counsel for State or Territory securitizations in the Virgin Islands, California, Illinois, and South Dakota.

We have also been transaction or bond counsel, disclosure counsel or underwriters' counsel in over 30 securitizations for counties in New York and counties and cities in California.

Student Loans

Our student loan portfolio payment securitization includes both taxable and tax-exempt public offerings and private placements, as well as participations in the fiscal crisis period federal conduit securitization program. In 1994, we were among the first bond counsel firms to adapt securitization structuring techniques for use by a statutory public authority whose authorizing legislation provided only for debt issuance to finance its federal student loan program. We successfully utilized our deep understanding of the asset class and trust documentation expertise to create a trust estate that replicated the economic result of asset securitization in a manner that was accepted by the rating agencies and the market and to assist the issuer in developing disclosure for this then-novel public entity portfolio duration based financing. We have since participated, as bond counsel or underwriters' counsel, in billions of dollars of LIBOR Floating Rate Note and similarly structured student loan portfolio financings on behalf of several additional state statutory issuers.

Practices

- Bank Counsel
- Bond Counsel
- Disclosure Counsel
- Private Placements