

# Stewart B. Herman

Partner

New York Office

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## Practices

Structured Finance and Securitization

## Industries

FOCUS: Aviation

Private Client Services

## Education

JD, Temple University Beasley School of Law

MBA, Drexel University

BA, University of Pennsylvania

## Bar Admissions

New York

Stewart Herman represents clients in commercial- and business-aircraft transactions. With more than 30 years' experience structuring, negotiating, and documenting transactions for aircraft and other asset classes, Stewart has been recognized as a leading lawyer for the aviation industry in *The Legal 500 US*. He helps clients close their transactions on time, avoid risks and position their companies for further growth.

## 30 years' experience closing aviation transactions

Stewart advises on leasing, sale and financing transactions, including leveraged leases, domestic and cross-border operating leases, portfolio acquisitions and securitizations, predelivery payment financings, maintenance agreements, and bankruptcy and workout transactions. His clients include leasing companies, commercial and investment banks, aircraft and engine manufacturers, airlines, monoline insurance companies and funds. He frequently speaks at aviation conferences and writes for trade and legal publications. He previously served as a law clerk to the Honorable Murray C. Goldman, Philadelphia Court of Common Pleas.

## Representative Experience

- Represent one of the world's leading aircraft leasing companies since its founding in a variety of transactions including portfolio acquisitions using debt and equity funds, portfolio dispositions, and operating leases.
- Exclusive counsel to a US fund as equity investor in cross-border structured aircraft lease financings featuring senior and junior amortizing and nonamortizing bank debt and equity notes. Transactions include:
  - Sale-leaseback of four B777-200 aircraft to a major Asian airline.

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- Sale of E-Notes in structured financing of four Boeing B737-800 aircraft on lease to a major Asian airline.
- Purchase and structured refinancing of one B777-300ER aircraft on lease to Air France.
- Purchase and structured refinancing of two Airbus A330-300 aircraft on lease to Hong Kong Airlines.
- Purchase and structured refinancing of two Airbus A330-300 aircraft on lease to a major Asian airline.
- Purchase and structured refinancing of another two Airbus A330-300 aircraft on lease to a major Asian airline.
- Purchase and structured refinancing of three Airbus A330-200 aircraft on lease to Turkish Airlines.
- Structured sale-leaseback of four new Boeing B737-800 aircraft with a major Asian airline.
- Sale of E-Notes in structured financing of four Boeing B777-200 aircraft on lease to a major Asian airline.
- Structured sale-leaseback of four new Airbus A320-200 aircraft with a major Asian airline.
- Represented a US private equity fund in the purchase through a new leasing company of 51 Boeing 737 classics plus 40 spare CFM56-3B1 engines from Southwest Airlines, and the onward leasing and sale of the aircraft, airframes and engines.
- Represented a US leasing company in the purchase and ABS refinancing of 14 Boeing and Airbus aircraft subject to existing leases to eight airlines outside the United States.
- Represented the liquidator of the portfolio of a German landesbank in the sale of four loans, each secured by one Embraer E190 aircraft in the fleet of Republic Airways.
- Represented a German bank in the workout of loans secured by four Airbus A340-500 aircraft coming off lease to Emirates.

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- Represented a US investment bank as equity investor in the sale-leaseback of aircraft for American Airlines.
- Represented arranger in the proposed securitization of more than 40 Eximbank-guaranteed aircraft loans.
- Represented an Irish leasing company in the refinancing of one Airbus A320-200 aircraft on lease to Indigo.
- Represented an on-demand airline in the pre-delivery payment and acquisition financing of approximately 30 new Bombardier Challenger 300 and Cessna Citation Xjets.
- Represented a syndicate led by a Swiss bank in a warehouse financing for AerCap.
- Represented a syndicate led by a Swiss bank in a warehouse financing for Avolon.
- Represented a major international airline in negotiating a series of flight-hour-based engine maintenance agreements with GE, Rolls-Royce, MTU, and Pratt & Whitney, covering the off-wing maintenance of the airline's entire engine fleet.
- Represented the leasing-company subsidiary of a US industrial company in the restructuring in bankruptcy of the long-term leveraged leases of approximately 100 Boeing 737 and 757 aircraft on lease to American Airlines. Also represented client in litigation over tax-indemnity claims and the trading of unsecured claims against the lessee.
- Represented US investment bank in the trading of allowed claims in US airline bankruptcies.
- Represented several US and international leasing companies in a variety of aircraft transactions including aircraft sales and dispositions, secured loans, and operating leases.
- Represented major US and international airlines in a variety of aircraft transactions including sale-leasebacks, operating leases, securitizations, export-credit-agency financings, secured bank loans, and aircraft sales.

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## Recognitions

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Recognized or listed in the following:

- The Legal 500 United States
  - Recommended Attorney, 2014–2019, 2021

## News

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- Structuring a PDP Loan to Protect the Lender from an Airline Bankruptcy (August 30, 2021)
- Coronavirus (COVID-19) Resource Center (August 10, 2021)
- Timothy Lynes and Stewart Herman's Analysis of Aircraft Rent Clawback Risk is Published by *The Harvard Law School Bankruptcy Roundtable* (July 13, 2021)
- Katten Receives High Marks in Derivatives, M&A and Securitization in The Legal 500 United States 2021 Guide (June 10, 2021)
- *Onebowlinggreen.com* Interviews Stewart Herman on Preventing Lease Payment Clawbacks (April 26, 2021)
- Stewart Herman and Timothy Lynes Publish Article on Aircraft Lease Recharacterization in *The Banking Law Journal* (April 6, 2021)
- Panelists Discuss Insurance Company Supported Aircraft Financing and the State of the Aviation Market During Katten's Seventh Annual Commercial Aviation Panel (January 25, 2021)
- Katten's Aviation Attorneys Recognized as "Go-To Thought Leaders" by *National Law Review* (December 17, 2020)
- Stewart Herman Comments on Slowing Aircraft ABS Deals in Wake of Coronavirus (March 19, 2020)
- Katten Praised in The Legal 500 United States 2019 Guide (June 11, 2019)

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- Katten Distinguished by *The Legal 500 United States* (June 14, 2018)
- Katten Distinguished by *The Legal 500 United States 2017* (May 31, 2017)
- Eighteen Katten Practices and 70 Attorneys Recognized by *The Legal 500 United States 2016* (June 17, 2016)
- Nine Katten Practices and 42 Attorneys Distinguished by *The Legal 500 United States 2015* (June 3, 2015)
- Eight Katten Practices and Forty-Two Attorneys Recognized by *The Legal 500 United States 2014* (July 3, 2014)
- Katten Expands Aviation Practice Engaging Top Industry Attorneys Stewart Herman and Jonathan Goldstein (January 6, 2014)
- Aircraft Transaction Podcast Series

## Publications

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- Avoiding Flight Schedule Disruption When Replacing the Owner Trustee of a Leased Aircraft Registered in the United States (September 9, 2021)
- What a Lessor and Secured Lender Should Expect From an Opinion Letter of Local Counsel in a Cross-Border Lease (June 21, 2021)
- Buyer Due Diligence in Acquisitions of Leased Aircraft: Lease Document Review and Seller and Lessee Representations (May 20, 2021)
- Structuring and Practice for Aircraft Leases to Prevent Lease Payments From Being Clawed Back in a Lessee Bankruptcy (April 9, 2021)
- The Desirability of Registering a New International Interest When Extending the Term of a Lease (March 12, 2021)
- Structuring a PDP Loan to Protect the Lender From an Airline Bankruptcy (February 19, 2021)
- ADS-B OUT Compliance as Part of Lease Redelivery Conditions (November 25, 2020)

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- Maximizing Returns Through Effective Management of Engine Performance Restoration: Five Cases (October 1, 2020)
- Use of Residual-Value Insurance to Support Debt Repayment in Leveraged Aircraft Leases (August 14, 2020)
- Toward a Rational Debt-Equity Framework in Leveraged Aircraft Leases (July 9, 2020)
- Aircraft Sale Leasebacks in a Disrupted Market: Traditional and New Considerations for Lessors (May 21, 2020)
- Passenger Airlines and US Treasury Department Reach Agreement on CARES Act Payroll Support Program (April 17, 2020)
- COVID-19 Update: US Senate Passes \$61 Billion Relief Package for Aviation Industry (March 26, 2020)
- COVID-19 Update: A Planning Guide for Aircraft Lessors (March 23, 2020)
- COVID-19 Update: US Senate Republicans Offer Airline Relief Package (March 20, 2020)
- COVID-19 Update: US Treasury Department Proposes \$50 Billion Airline Loan Program (March 19, 2020)
- COVID-19: US Airlines Seek \$58 Billion in Government Aid Amidst Global Turmoil (March 18, 2020)
- From Implementation To Take-Off: OFAC Issues Licenses for Commercial Aircraft Deals With Iran (November 30, 2016)
- US Sanctions Against Burma Lifted on October 7 With President's Executive Order (November 1, 2016)
- From Implementation to Takeoff: Nine Months Later, OFAC Issues Licenses to Boeing and Airbus for Commercial Aircraft Deals With Iran (September 30, 2016)
- OFAC General License Loosens Restrictions on Non-US Carrier Flights to Iran (August 30, 2016)
- OFAC General License Facilitates Negotiations With Iran for Commercial Passenger Aircraft (June 1, 2016)

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- Flight Sharing Requires FAA Part 119 Certification (April 27, 2016)
- OFAC General License Facilitates Negotiations With Iran for Commercial Passenger Aircraft (April 14, 2016)
- *Flytenow, Inc. v. FAA* Decision: Flight-Sharing Requires FAA Part 119 Certification (March 1, 2016)
- 'Implementation Day' Brings Openings for Commercial Aircraft Sales With Iran (February 24, 2016)
- Further Relaxation of Sanctions for Commercial Aircraft Operations in Cuba (February 17, 2016)
- "Implementation Day" Brings Openings for Commercial Aircraft Sales With Iran (January 22, 2016)
- The State Department's Recent Federal Register Notice Marks Opening Steps Toward Access to Iranian Market for US Commercial Aircraft Industry (November 16, 2015)
- Aircraft Portfolio Securitization: Innovations and Regulations (October 2, 2015)
- A Guide to the EU Blacklist (August 28, 2015)
- Aircraft Deregistration and Repossession in India: Lessons from Kingfisher and SpiceJet (May 21, 2015)
- Aircraft Portfolio Securitisation: Structure Innovations and New Regulations (October 2014)
- Current Issues in Aircraft Repossession in Brazil (August 2014)
- Perfecting a Security Interest in a Lease of a Registered Aircraft (April 9, 2014)
- Second Circuit Rules in Favor of Tax Indemnity Agreement Claims (September 2010)

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## Presentations and Events

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- Commercial Aviation Panel (January 14, 2021) | *Presenter*
- Commercial Aviation Panel (April 11, 2019) | *Presenter*
- Commercial Aviation Panel (April 17, 2018) | *Presenter*
- Aircraft Financing (September 26, 2017) | *Panelist*
- Commercial Aviation Panel and Reception (April 20, 2017) | *Moderator*
- Flying Private: Owning, Leasing, Sharing and Financing Corporate Aircraft (October 6, 2016) | *Presenter*
- Commercial Aviation Panel and Reception (April 14, 2016) | *Moderator*
- Flying Private: Owning, Leasing, Sharing and Financing Corporate Aircraft (March 16, 2016) | *Presenter*
- Commercial Aviation Panel and Reception (April 2, 2015) | *Moderator*
- Flying Private: Owning, Leasing, Sharing and Financing Corporate Aircraft (December 4, 2014) | *Presenter*
- Commercial Aviation Panel and Reception (April 24, 2014) | *Moderator*