

Veteran Lender Reiff Launches Finance Shop

Industry veteran Randy Reiff and other senior managers have left FirstKey Lending and formed their own commercial real estate debt investment firm.

The New York operation, Allegiant Real Estate Capital, will originate and acquire senior loans, B-notes, mezzanine loans and commercial MBS. It will also invest in distressed debt and preferred equity.

The departure of Reiff's team from FirstKey Lending follows a recent decision by parent Cerberus Capital to wind down that operation. FirstKey, which was formed in 2013, initially lent to companies that buy up single-family homes and rent them out. It later branched out to the origination of bridge and mezzanine loans.

Allegiant will manage FirstKey's \$215 million loan portfolio. Also, Reiff said, his firm has entered into an agreement to invest up to \$500 million in commercial real estate debt on behalf of an unidentified financial-services firm. Allegiant is seeking to line up additional investment-management clients.

Allegiant will initially focus on the origination of high-quality transitional loans, but Reiff's goal is to build a diversified book of debt over time. "The flexibility to support a wide array of investment capital will allow us to offer borrowers 'one-stop' custom tailored solutions to meet their commercial real estate financing needs up and down the entire capital stack," he said.

Reiff has had a lengthy career in commercial real estate finance. He was co-head of the CMBS operation at Bear Stearns from 2004 until 2008. He became head of CMBS at J.P. Morgan when that bank acquired Bear in 2008. He left the following year to form his own lending shop, Spartan Real Estate Capital. Reiff was named head of the commercial real estate group at Macquarie Investments when it bought Spartan in 2010. He left Macquarie in 2013, when he was named chief executive of New York-based FirstKey.

Reiff is chief executive and chief investment officer of Allegiant. The management team includes seven other former FirstKey executives, most of whom have worked with him for more than a decade. They are: Simon Breedon, who is chief operating officer; originations chief Ben Milde; capital-markets chief Mark Lebowitz; Jeff Wiseman, head of asset management and chief credit officer; John Vavas, head of legal matters and chief compliance officer; Justin Short, head of whole-loan trading, and Brian Mascis, head of CMBS credit. Additional support staffers also made the move.

Reiff said that Allegiant will build on the platform developed at FirstKey. He added that Allegiant will "continue its strong and productive relationship" with hedge-fund giant Cerberus by providing advisory services, while also broadening its scope to serve a wide variety of clients.