



STWD Vets Launch Fund with \$1.6B Backing

By Paul Bubny

May 11, 2015

SAN FRANCISCO—A quartet of commercial real estate veterans, all formerly of Starwood Property Trust, has launched ACORE Capital LP, headquartered here with offices in New York City and Los Angeles. The finance company, which will focus on originating, acquiring and managing commercial real estate loans and other CRE debt investments, launches with a \$1.6-billion capital commitment from Delphi Financial Group Inc., a wholly-owned subsidiary of the Tokio Marine Group.

The new fund, the acronym in its name denoting Alpha Commercial Real Estate, will originate, acquire and manage first mortgages, B-notes, mezzanine debt and preferred equity throughout the US, Canada and Europe. Loans will range in size from \$20 million to \$300 million-plus; ACORE expects to originate \$4.0 billion to \$5.0 billion in whole loans.

ACORE's four managing partners—Boyd Fellows, Stew Ward, Chris Tokarski and Warren de Haan—most recently were STWD's president, CFO, chief credit officer and chief originations officer, respectively. Previously, all were part of the management team that launched Countrywide Financial's CRE finance business in 2004, and three years before that launched Coastal Capital Partners. Collectively, they've closed more than 4,000 CRE loans totaling more than \$40 billion.

“Our approach is relationship-based and clients will benefit from our flexibility and our deep understanding of the financing needs of the real estate industry,” says Fellows. Along with the backing from Japan's largest insurer, the new company is planning to raise additional capital from institutional investors, and to add 30 finance professionals during the course of 2015. Latham & Watkins LLP is acting as ACORE's legal advisor.

Fellows and de Haan began drawing up plans to launch a new lending platform earlier this year, according to Real Estate Capital, which also reported that both men had resigned from mortgage REIT STWD this past September. Commercial Mortgage Alert first broke news of the new venture earlier this month, but ACORE's financial backer was not formally announced until Monday morning.