

Law360

January 27, 2012

Law360 Q&A With Hunton & Williams' Jeff Giese

Jeffrey Giese is a partner in Hunton & Williams LLP's capital finance and real estate group, in the firm's Dallas office. His practice focuses on complex multiproperty, multistate real estate acquisitions, dispositions and financings, legal due diligence and acquisitions, financings and dispositions of performing and nonperforming loan portfolios and related asset management, real estate development, syndications and sale-leaseback transactions, and private equity investment, structuring and entity formation. Representative transactions involve multifamily complexes, retail centers, grocery stores, office buildings, industrial parks, restaurants, land, hotels, malls, golf courses and water banks.

Q: What is the most challenging case or deal you have worked on and what made it challenging?

A: Since I've practiced for 25 years and have worked on hundreds of deals, I'm going to limit the timeframe to the last 12 months. Without question, the most challenging deal of the last 12 months was representing a global private equity fund in the acquisition of over \$1 billion of nonperforming loans from a top 10 national bank.

The portfolio acquired included approximately 200 commercial real estate loans. In addition to a closing deadline set to accommodate the seller's financial reporting schedule, which meant that due diligence and the closing documentation process needed to be done simultaneously and in less than three weeks from start to finish, the deal was even more challenging due to the poor quality of the seller's loan files, documents and histories.

The lack of reliable historical loan documentation, caused by numerous facts including that seller had acquired and/or merged with several predecessor banks over a period of years, created difficult issues which needed to be overcome on a daily (hourly) basis.

Q: What aspects of your practice area are in need of reform and why?

A: I believe that state-level judicial and nonjudicial foreclosure procedures are in need of reform to become more consistent and reliable from jurisdiction to jurisdiction. As a lawyer tasked with pursuing creditor's rights against defaulting borrowers involving loans in dozens of states, it slows the "flushing" process needed for the national economy (from both a national banking and commercial real estate perspective) to fully recover.

It would make more sense to have a uniform foreclosure process/statute so that lenders could avoid the inconsistency and uncertainty of an 18-month judicial foreclosure process in one jurisdiction and a 45-day nonjudicial process in another jurisdiction.

Q: What is an important issue relevant to your practice area and why?

A: I think the most important issue facing commercial real estate is the availability of credit/debt for the owners of commercial real estate facing trillions of dollars of maturities over the next 12 to 36 months. If not addressed, any progress made in an economic recovery in the industry will be eliminated by the weight of an even larger wave of loan defaults and foreclosures.

Q: Outside your own firm, name an attorney in your field who has impressed you and explain why.

A: Kay Bains of Bradley Arant Boult Cummings LLP in Birmingham, Ala. She is extremely professional, knowledgeable and pragmatic. She is a “can do” lawyer who finds a way to bring two parties together on material issues. She is known as a “deal doer,” not a “deal killer.”

Q: What is a mistake you made early in your career and what did you learn from it?

A: After practicing about seven years, and in the midst of a real estate expansion and corresponding heavy workload, I was approached by a mortgage broker who thought he could help me develop relationships in the lending industry that would result in more clients and business.

My reaction has haunted me several times over the last 20 years: that I was so busy, there was no way I could afford to meet more clients and take on any more business. As I have painfully learned and been reminded during periods of economic recession over the years, you can never have too many contacts, clients or business.