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THE TOP REAL ESTATE,
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THE COLLATERAL KING

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KEN LATIMER

Taking Transactions from Number Crunching to Nuts and Bolts

by Elisabeth Martin

When Ken Latimer works on a deal, he always takes time to see the bigger picture.

"I like to go to a building when it's finished and see what it looks like," he says. "We had a project that was being built up on the North Side, and we were out to dinner one night, and I said, 'I want to walk by this project, it's only a block away; I just want to see what's going on.' I've learned that over the years, you've got to see what you're working on."

As a nationally recognized secured lending attorney and founding partner of **Duane Morris, LLP's** Chicago office, Latimer spends his days representing banks in a vast array of lending deals, from construction loans for developers to start-up capital for businesses. The territory comes with plenty of paperwork and number-crunching, Latimer says, but it's vital to remember that the ultimate result is something tangible and exciting.

"When you see that building, when you see that loan close, when you see a business that you helped finance turn around, or start off and take off, that's what I enjoy," he says. "It's a great feeling to accomplish good things for your clients. I didn't build it, and I didn't take the risk the developer took, and it wasn't my money that was being lent, but I feel integral in getting the project done, because I was a part of it."

The fruits of Latimer's labor include major buildings in Chicago and across the United States, such as the redeveloped Montgomery Ward building, a massive condominium project near Millennium Park, and a hospital in San Diego. In his nearly four decades of practice, the 66-year-old has also developed a

lengthy list of clients that reads like a who's who of banking elite.

"We really rely on Ken for any critical issue," says Ron Ciucci, president of Schaumburg-based AmericaUnited Bank and Trust Company. "He's our go-to person."

A Changing Industry

Few areas of the law have changed as dramatically as commercial transactions since Latimer, 66, took his first job as an attorney with Chicago's Berger, Newmark and Fenchel, P.C., in 1970. Then a young associate just a year out of law school at George Washington University, Latimer cut his teeth just as the Uniform Commercial Code, a landmark document that streamlined commercial transactions across state lines, was beginning to revolutionize the industry.

"We had UCC training in law school, because it was just coming into vogue, but a lot of the older lawyers really didn't know anything about it," Latimer says. "They didn't know the provisions, and so I would get a lot of the work that they didn't want, because they didn't understand it. So I got a really good foundation in secured lending."

When Latimer was first learning the ropes of banking law, he recalls, closings were done in person, people picked up the phone to talk instead of firing off an e-mail, and transactions weren't nearly as complex.

"I've got experience in almost every kind of collateral you could possibly imagine, from cows to railroad cars to real estate, and intellectual property," he says. "As businesses and societies become more complicated, what

a borrower has to pledge has become more complicated, so you need more expertise."

The recent collapse of the real estate market and ensuing financial meltdown have thrown a new twist into Latimer's work as borrowers struggle, and many fail, to stay afloat.

"It used to be if you had a really good idea for a real estate project, and you could get some equity, which you could usually do, you didn't need that much equity. You could get the bank to loan you the money, and you could get leases, or you could sell condos to investors," Latimer says. "Nobody knew that the investors were going to walk away and forfeit their deposits... I mean, who would have ever thought?"

Some lenders have taken advantage of the economic downturn through tricks like "loan to own," where they lend money to a business or project with the intention of repossessing it and then flipping it for a profit when the loan goes bad. But Latimer says that he and his lenders strive to be scrupulous and make honest loans, showing as much empathy as they can along the way.

"If the borrower is cooperative, and they're telling the lender the truth, and they're really doing their best to work it out, the lender doesn't want someone else's business," he says. "Especially now in hard times, you really feel that you're helping people, and you're giving them advice, even the banks... You try to help them, and you hope that you do provide a very valuable service."

'He Has Great Experience'

Latimer's introduction to banking law came



in his early days at Berger Newmark, a small general practice firm whose services ran the gamut from real estate to estate planning. One day, a partner entered Latimer's office, thrust a wage garnishment form onto his desk, and told him to take care of it.

"I didn't know what a garnishment was," Latimer says. "I quickly figured it out, and I contacted the particular bank that was involved in this; I took care of the form, which was not a big deal, but I met a banker, in doing that, who was a very young loan officer."

That loan officer introduced Latimer to a few other young bankers, who then began asking him to work on transaction deals.

"That's really how I got into representing banks," Latimer says. "It was really sort of just by chance, but then I found I really liked it."

At the same time, Latimer was dabbling in house closings, estate planning, bankruptcy and even securities, taking whatever work his bosses passed along. He credits the variety that defined his early career with making his secured lending practice stronger.

"I recognize instantly any other issues that are underlying a transaction, and I can say to the client, 'You know, we're going to have a problem here,' or, 'We're going to have to deal with this issue because you've got a trust as a borrower,' or, 'We've got a public company

that's being acquired or stock of a public company,'" Latimer says.

That expertise doesn't go unnoticed by Latimer's clientele.

"One of the great things about Ken is he doesn't have to research every question we have," AmericaUnited's Ciucci says. "He has great experience in the industry."

After 15 years at Berger Newmark, Latimer's ballooning list of clients prompted him to consider a move to a larger firm. He joined the now-defunct Holleb and Coff, where he stayed until he and 10 other attorneys opened Duane Morris' Chicago office in 1999.

Working at Holleb and Coff gave Latimer the chance to seek advice from the firm's roster of 80 lawyers, and his practice grew substantially during his time there. Latimer also looks back fondly on his working relationships with many of Holleb and Coff's employees, including name partner Marshall Holleb.

"There was a lot of cordiality among the people there, which I think is very important, because often, we spend more time at work than we do with our families," he says.

But when a coworker at Holleb and Coff asked Latimer if he'd be interested in opening a new branch of Duane Morris, Latimer, though reluctant to leave his colleagues at Holleb, took the opportunity. Duane Morris employs

more than 700 lawyers in 25 offices across the world today, and Latimer saw the move as a chance to develop a national footprint.

"I could see that it would be helpful to have people in various jurisdictions," he says. "We did a large deal for a bank about a year ago, and we had people working from our offices in Houston, Atlanta, Philadelphia, and San Diego. There was real estate involved in all these different jurisdictions... Real estate is basically local, so it's very important to know people that have that expertise."

Brian Kerwin, a fellow lawyer at Holleb and Coff who was also part of Duane Morris' founding team, says knowing Latimer was part of the new office helped to persuade him to make the move.

"I was very conscious of his reputation in the law community," says Kerwin, a partner at Duane Morris. "Ken is a great mentor, friend and partner, and there was just a real trust there."

Duane Morris' Chicago office has grown to more than 50 attorneys, many of whom seek out Latimer for advice. Colleagues file in and out of his office all day long with questions, and Kerwin says Latimer has developed a reputation for always being willing to lend an ear.

"He can be on the phone, and you have some pressing issue in a closing, and he has no problem saying to the person on the phone,

'Can I get back to you?'" Kerwin says. "He's very well regarded within Duane Morris. He's a senior statesman, so to speak."

Doing Whatever It Takes

Ask Latimer's clients about his work ethic, and they're likely to have a specific story in mind. For Rich Murphy, executive vice-president of Lake Forest-based Wintrust Financial Corp., the story dates back to when he was a young lender faced with a looming deadline.

"I had a number of transactions that had to get done prior to year-end, and Ken was putting more hours in on these deals than I was," Murphy says. "I was pleasantly surprised by his commitment... He ended up making me look good, which is what you want in an attorney."

To Latimer, getting the deal done has always taken top priority in his work, and he thinks clients recognize and appreciate that.

"Your client isn't hiring you to put up roadblocks," he says. "They want you to protect them and use your skills to protect them, but they want to get things done."

Sometimes, closing that deal can mean long and late hours, and Latimer's pulled his fair share of all-nighters. He recalls a loan closing for a business a few years ago at a firm in California where a friend also worked. The friend asked him if he wanted to get dinner as he was leaving the office at 6 p.m., but Latimer told him they still had more work to do. As it turned out, negotiations lasted until 8 a.m. the next day.

"I was leaving the next morning, about 8:30, and he was just coming in to work. He said, 'Oh, you got here early,' and I said, 'No, I never left,'" Latimer says. "The client then wrote me a letter and said, 'You really saved our business. Thanks very much, we can't tell you how much we appreciate all of your efforts,' and that was really nice. You felt you had really done something important."

Latimer couples that sense of urgency when working on a deal with a sense of humor, something he says is often sorely needed during tense negotiations.

"I always laugh, because people always say, 'Oh, calm down, here comes Latimer,' because that's one of my sayings," he says. "When people get really excited, I say, 'All right, everybody just calm down, take it easy'... I think a sense of humor's very important, because you just sort of have to go with the flow sometimes."

Whether he's tracking down an airplane a client financed that wound up in South America, getting stuck in an elevator during a deal in Minneapolis, or trying to recover a borrower's barges that had sunk into Lake Michigan, his ability to laugh at a situation has

come in handy over the years.

"I come in and have a plan for what I'm going to do that day, and very seldom do I achieve that plan because other stuff comes up," he says. "That's one of the things that's so interesting about the practice of the law."

Kerwin recalls Latimer's funny streak making an appearance during a conference call at a crucial point in a large transaction.

"There must have been 25 different lawyers and investment bankers on the phone, and the lawyer on the other side was with a big Wall Street firm and was somewhat condescending," Kerwin says. "At one point in particular, in a sweeping, flippant way, he says, 'You don't need to worry about that issue; we'll get you comfortable.' And Ken, without missing a beat, says, 'What, are you going to get us a pillow?'" Everyone started laughing."

That down-to-earth attitude works well to put others at ease, according to Wintrust's Murphy.

"With Ken, everyone lightens up a bit," he says. "He has a really good bedside demeanor."

One of Latimer's closest friends, Peter Schwab, says Latimer's outgoing personality has served him well personally and professionally.

"He's kind of guy who can speak on any subject; he's very easy to talk to," Schwab says.

The two men met in 1969 while waiting in line for the bathroom at a hotel in Salzburg, Austria. Both were traveling through Europe with their wives, and the four young globetrotters became instant travel partners, traipsing through Italy and Spain together. The couples kept in touch once they returned to the United States and still see each other several times a year.

"We've traveled all over the world together; our kids are best friends," Schwab says.

That friendship evolved into a professional relationship as well once Schwab joined the banking industry. Now the CEO of Los Angeles-based Wells Fargo Foothill, Schwab has turned to Latimer countless times for counsel.

"He's very practical and pragmatic," Schwab says. "He doesn't speak lawyerese; he speaks English."

And like so many of Latimer's other clients, Schwab has a vivid memory of his friend going to bat for him to close a deal.

"We had a bad loan out with a piano manufacturer, and then an Asian company with an office in Chicago was trying to buy them, and we were dealing with them for many months," Schwab says. "Finally, on a Saturday, they put one more roadblock down, and Ken said, 'You know what I'm going to do? I'm going to get in a cab and go over and say, this is your last chance.' So he did, and they closed, and it worked out. He could have called, but he didn't want to wait until Monday... He's just a great advocate."

A Community Leader

Outside of his circle of colleagues and clients, Latimer has earned renown through his leadership in professional associations such as the American Bar Association and Illinois State Bar Association. He was a founding member of the Commercial Finance Association Education Foundation, an educational organization funded by members of the industry, and he has lectured and written extensively about the Uniform Commercial Code and banking law, earning him an honorary seat in the American College of Commercial Finance Lawyers.

In his time away from work, Latimer has volunteered extensively for the Jewish Community Center of Chicago and served as president of the North Suburban Jewish Community Center. His involvement in JCC includes fund raising for and helping to establish two major JCC projects: the Bernard Weinger Jewish Community Center in Northbrook and the Apache Day Camps.

Latimer also remains a major booster for his undergraduate alma mater, the University of Wisconsin, and he sits on the board of the American Brain Tumor Association, a cause dear to his heart since one of his sons was diagnosed with and survived a brain tumor five years ago.

"He had very good doctors, and now he's doing great," Latimer says. "It makes you put things in perspective... You have to realize, and maybe this comes from getting a little older, but there are things that are really, really important... If you have your health, you have everything. If you have your family, you have everything."

A self-described history nut, movie buff, and "Lewis and Clark freak," Latimer loves to travel with his wife, Carole. The two are headed to South Africa this spring with the Schwabs, bringing the number of continents they've visited to six.

"She got bitten by the bug when we went to Europe for the first time in 1969," Latimer says. "We enjoy the cultures and meeting all the different people."

The Latimers' three children, Cary, Darren and Wendy, all still live nearby, and they visit regularly with their own children. Latimer takes more time away from his job now to spend time with his grandkids and relax, but retirement isn't on his mind quite yet. He's interested to see where the economy will take his industry next, and he's hopeful about its future.

"Lenders are still very cautious...but everything is cyclical," he says. "I saw (economic downturns) in early 70s, early 80s, early 90s; I saw it in dot-coms and the 2000s. Things will improve... Young people are still going to want to be entrepreneurs. There's a great spirit in this country for that." ■