

DAVID YELIN

Negotiating and Managing with Professional Respect

by Keith D. Picher

David B. Yelin, the managing partner of the Chicago office of **Duane Morris LLP**, comes across as a perfect gentleman during an interview. He doesn't engage in bragging, grandiosity, or sweeping statements. He's more comfortable being an unflappable advocate for real estate clients.

Yelin, 54, attributes his groundedness as an attorney to the wisdom of his wife, Andrea, an author and a part-time faculty member at Loyola University Chicago School of Law. Earlier in his career, when David worked on

had worked at Jenner his entire career except for a summer internship in New York at Shearman & Sterling.

Nowadays, Yelin devotes about a third of his time to firm management and the rest to his real estate practice. That ratio varies a little from season to season, with more demands on his time in the first quarter to manage compensation issues.

Besides managing the office, Yelin is a member of the firm's executive committee and its partners board. He also leads the real

work, which means representing corporations in their buying, selling, developing, leasing or building of facilities. He is especially adept at headquarters leasing, which he describes as an offshoot niche of the skills he developed in synthetic leasing before Enron made the term a dirty word.

A number of corporations have looked to Yelin for leasing assistance with whole facilities and entire office buildings, including Rio Tinto Alcan Corporation, Packaging Corporation of America, and Pactiv Corporation, which was bought out in 2010 by Reynolds Group Holdings.

Large headquarter leases often have unusual aspects, Yelin says, including special needs, signage, control of common areas, and other details. He understands corporate needs, their politics, and working within the confines of both budgets and politics.

David S. Tropp, a real estate broker and a senior vice president at CBRE, met Yelin in 1998 through a mutual client. "I've found him to be just a great partner in negotiations because lease negotiations can be challenging and not every real estate attorney is equal," Tropp says.

Tropp describes Yelin as extremely smart and always equipped with a complete understanding of the range of issues needed to negotiate a lease or contract. The two have had to move quickly on some projects, including last year when they needed to negotiate a corporate headquarters lease in two weeks.

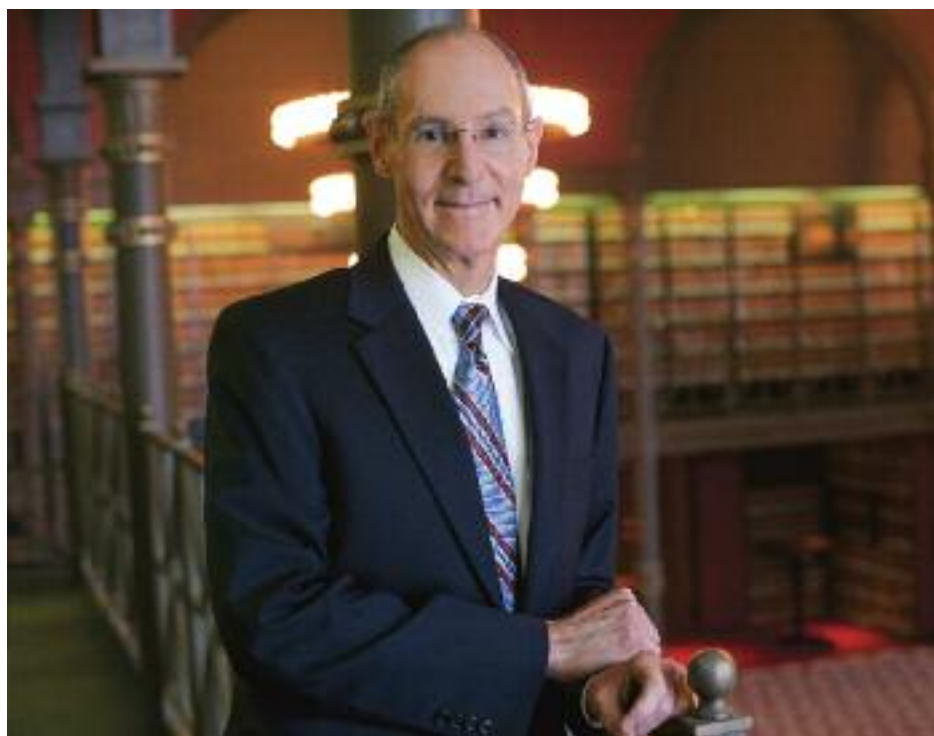
"He came into the project and was just a great asset in the negotiations," Tropp says.

Another negotiation seemed to drag on endlessly, longer than any Tropp can recall. The grueling discussions for a California project involved countless hours of conference calls.

When the negotiations get really tough Yelin is pretty much unflappable, Tropp says. "Some attorneys like to shout, some like to jump up and down, and some brokers do, too. For him, it's just a logical, concise, passionate yet impassioned argument. There are no high emotions to it."

The Cycles of the Market

Good real estate lawyers are busy and can shift their work whether the real estate market is in a boom cycle or a downturn. This down cycle



large deals that routinely appeared in the *Wall Street Journal*, Andrea made a none-too-subtle comment as they drove by a cemetery.

"There are a lot of lawyers in that graveyard and, believe it or not, business is still going on," she said. So whenever David considers himself indispensable, Andrea reminds him that he is really just a normal guy.

"And she's right!" Yelin adds.

Niche in Corporate Headquarter Leasing

Yelin left Jenner & Block after 14 years of deep and extensive experience to join Duane Morris in 2000, the year after the Philadelphia-based law firm expanded to Chicago. Yelin

estate group in Chicago.

Fifty of the firm's more than 700 lawyers work in Chicago. Duane Morris boasts 23 addresses altogether, including four overseas offices in London, Singapore, and both Hanoi and Ho Chi Minh City, Vietnam.

Most of Yelin's real estate work now involves either leasing or the acquisition and disposition of property. His clients are largely in Chicago and its suburbs. Yelin also represents one New York real estate fund and some clients in Milwaukee. Although he handles development work, most of those clients are waiting on the sidelines now.

Yelin's sweet spot is corporate real estate

is especially hard on developers because of its length, Yelin says.

But it is hardly atypical or an unfamiliar phenomenon for long-time real estate professionals. Workouts, distressed debt situations, and distressed properties are the necessary flip side of times when development takes off.

One aspect of this downturn that had not occurred before in Chicago was the way condominiums were involved. Yelin represented downtown condominium developers who on any given Sunday could sell six to a dozen units at the height of the market. He remembers wondering how it would all end because it seemed unnatural.

"You knew from being a real estate person that every condominium building had carpeting and appliances and counters and fixtures," he says. "I thought the trickle down effect of this has to be enormous on the economy, but when it stops it's going to really stop hard."

No crystal ball predicts the end of the real estate recession, Yelin says. Companies are reluctant to make decisions before next year's election when the country's tax policies should become clearer. Even then things could remain slow, judging by the amount of distressed real estate debt remaining in the pipeline.

But Yelin believes the recovery will happen fairly quickly once it starts.

Yelin has noticed some early signs of change in the marketplace. Apartment rentals have become hot because of depressed home sales, so tenants cannot get the concessions they once did. The office market in Chicago is tightening now with fewer large blocks of available space. The suburban real estate market remains weak, however. Also, retail tenants are not opening many new locations just yet, so leverage remains on their side. That trend may be starting to reverse itself, however.

Yelin has recently represented lenders who have taken back portfolios of real estate that include retail establishments, shopping centers and restaurants. He represents Burton Snowboards for their Midwest locations. He also has performed work on nearly 50 branches of First American Bank.

David Stone, a broker and the founder and president of Stone Real Estate, says Yelin is comfortable with retail real estate leases. He has seen many lawyers who are not.

"Instead of trying to muscle through a retail lease without really understanding it, David takes the time to understand the nuances so he can be a better lawyer for his retail clients," Stone says.

"There are plenty of lawyers, just like there are plenty of real estate brokers," says Stone, "but the ones who provide added value are the

ones who get hired and retained."

Yelin is sociable and breezes through deals in a logical, calm and thoughtful way, which is what brokers want. "The last thing you want is a lawyer who tries to make an impact that ends up killing a deal," Stone says.

Growing into a Law Career

Although Yelin did not decide to become a lawyer immediately, he absorbed information from his dad. A one-time prosecutor, Yelin's father became in-house counsel at Alside, an Ohio company known for its baked enamel aluminum siding. Jerome J. Kaufman discovered the coloring process after seeing that paint was bonded to airplane fuselages during World War II.

Yelin visited his father's office when he was young and eventually operated a drink cart for company executives during his summer between high school and college. The routine was coffee in the morning and soft drinks in the afternoon. Once the business considered him trustworthy, Yelin was allowed to take Kaufman's green Cadillac for a daily car wash.

At first, Yelin's career path took him to the world of accounting. The Akron native began college at the University of Akron, then studied at Ohio State for a year and a half and completed his accountancy degree back in Akron.

He passed the CPA exam in one seating, achieving one of the highest scores in the state. An offer from Peat Marwick followed, which Yelin accepted even though the cultural fit seemed wrong. He was looking for work again soon and landed an enjoyable job at Touche Ross. Although he was making good money and could have continued being an accountant, within three years Yelin wanted an advanced degree. Law seemed to offer more rigorous analytical training than an MBA.

Yelin went to Case Western Reserve University School of Law in Cleveland, knowing nothing about law review or moot court until a friend informed him. For reduced rent, he would maintain an apartment and scrub the hallway foyer.

After graduating and completing his internship in New York, Yelin and his then-fiancée had a choice to make. Her parents offered to buy the couple a condominium in New York. Yelin's family, which was rather provincial, wondered how they could go anywhere but Cleveland, where there were law firms. The independent duo opted for Chicago and Yelin took a job at Jenner & Block.

Yelin recalls how one of his mentors, the late Jerold S. Solovy, used to arrange a private swearing in ceremony for Jenner associates at the U.S. District Courts. Yelin's class had the

honor of appearing before Judge James B. Parsons, who retired in 1992 and died the following year.

Solovy introduced 24 lawyers to Parsons that day alphabetically. By the time Solovy got to Yelin, the last, Parsons was tired. Solovy explained how Yelin went to Ohio State and University of Akron before practicing accounting in Columbus and attending law school in Cleveland. When the dissertation was nearly complete, Parsons became alert and commented, "Well, Mr. Yelin, all of Ohio must be proud of you today!" The Jenner associates never let Yelin forget the comment.

Finding Real Estate

Yelin started his career splitting time between corporate and real estate law in New York and Chicago. He had nothing against litigation, having performed well in his law school's moot court. But transactional law was more appealing since reaching a common goal was a requirement, even if the sides often had different opinions about how to get there.

Early in his Jenner career, Yelin put in six to eight months working on the acquisition of Three First National Plaza by a Japanese insurance company. He knew everything about the building, having read every lease, every sublease, every permit, and the details of the overhead sky bridge across Madison Street.

When Ronald Ian Reicin learned that Yelin's substantial hours were being credited to the corporate department, the two had a conversation. At the time, Reicin was a real estate partner, although he is now of counsel.

"David, you're going to be a real estate lawyer," Reicin reportedly said.

"OK," Yelin responded. "Sounds good to me." That exchange directed the course of his legal career.

From time to time, Yelin would work with litigators at Jenner including Joel J. Africk, who 10 years ago became the president and chief executive officer of the Respiratory Health Association of Metropolitan Chicago.

Africk has long appreciated Yelin's pleasant demeanor and his businesslike professionalism. Yelin's dealings are never about ego, says Africk. Discussions are on topic and aimed at the immediate issue or question at hand.

Yelin supports the Respiratory Health Association of Metropolitan Chicago because it is a cause close to his heart. Both of Yelin's parents smoked and his father, who was his best mentor, died of lung cancer. "My sisters and I did everything we could to try to keep them from smoking, including hiding and flushing their cigarettes," he says.

Seeing high school students perpetuate the habit of smoking really bothers Yelin, so the

smoking cessation part of the association's mission appeals to him. Africk reached out to Yelin to join the nonprofit's board of directors.

"He's a great thinker and a solid contributor, and we're fortunate to have him," says Africk.

Building a Work-Life Balance

Yelin enjoys skiing and sailing. With their children at the University of Illinois and Emory University, the Yelins work out five times a week. "My wife is my personal trainer, of sorts," Yelin says.

A career at Duane Morris allows attorneys to have the time for a better work-life balance, he says. Yelin remembers when he interviewed with the firm's chairman, Sheldon Bonovitz, who is now chairman emeritus. Bonovitz looked at Yelin's hours and asked how he had time to do anything else but work.

While every law firm likes to distinguish itself for its culture, Yelin believes the culture of Duane Morris is unique. The firm had ties to the Quaker community in Philadelphia in the early 1900s, and that culture continues across the firm today where people respect and help one another.

As an example, Yelin describes the thought process the firm went through in selecting office space at 190 S. La Salle St. Yelin rejected one building because another law firm would be located in the same elevator bank, and it already had signage. The firm considered the Boeing Building; it was considerably less expensive, near trains to the northern and western suburbs, with nice river views, tight security, and an owner landlord.

The firm's litigators objected to the distance from the courts, and many staff members were concerned about the distance to their transportation on the Loop's east side. So the firm's chairman agreed to the Chicago office's consensus.

Duane Morris moved to space previously occupied by Mayer Brown even though it cost more in rent than the Boeing location.

"I can't imagine a better place to practice law," Yelin says. "Duane Morris is a very profitable firm and a well managed firm."

As an accountant and manager, Yelin appreciates how those qualities can breed a whole lot of collegiality. ■