

Rising Star: Gibson Dunn's Jesse Shapiro

By **Joshua Alston**

Law360, New York (March 22, 2013) -- Gibson Dunn & Crutcher LLP's Jesse Shapiro earned one of his clients in a most unusual way: after it negotiated against him in a real estate deal in which he represented the other side's interests — proof of the diligence, skill and charm that landed Shapiro a spot among the six real estate attorneys under 40 recognized by Law360.

In just the past two years, Shapiro, 39, has worked as of counsel in Gibson Dunn's Los Angeles office, serving as lead negotiator for such venerable clients as the Blackstone Group LP in a \$200 million recapitalization deal, the ING Group in a \$100 million syndicated mortgage and Wells Fargo & Co. in the complex foreclosure of a mezzanine loan, earning his place on the Law360 Rising Star list.

Prior to joining Gibson Dunn in Los Angeles in 2005, Shapiro worked in New York, where he practiced bankruptcy law, an experience that gave him his first taste of the real estate practice that eventually drew him in with its opportunities to dabble in many types of law, often in the same deal.

"The more I touched real estate the more I realized it had a lot of the aspects I liked in bankruptcy law, but you have to be a jack of all trades," Shapiro said. "You'll be selling an asset out of a bankruptcy, or you will be negotiating an acquisition so there's the M&A aspect, or you have creditors who want money from a bankruptcy, so you become part finance lawyer."

Real estate law is never boring, Shapiro says, and the more complex and unusual the deal, the more fun it is to figure out the best solution for his client.

One of his favorite deals is one in which he represented FelCor Lodging Trust Inc. in its acquisition of hotels owned and managed by Morgans Hotel Group. What made the deal unique is that Shapiro was able to negotiate both the acquisitions as well as management agreements that allowed Morgans to continue operating the hotels even as ownership changed hands, which allowed Morgans to maintain control of the customer experience.

“It was a seamless transition to the guests, because they were Morgans Group-managed before the deal and Morgans Group-managed after the deal,” Shapiro said. “But what was going on behind the scenes was the sale of the hotels to FelCor and a complex negotiation on the management agreements.”

Shapiro is able to untangle such complex transactions because of his unique background and the broad expertise he brings to his practice, according to Jesse Sharf, co-chairman of Gibson Dunn’s real estate practice group.

“Jesse has a great understanding of both the intricacies of the real estate capital markets and the principals of debtor/creditor rights and corporate finance, combined with a keen intellect and knowledge of the market,” Sharf said. “This rare combination makes him uniquely well-qualified both to put together complicated joint venture and debt structures, and take them apart in workouts and enforcement and remedial actions.”

It’s Shapiro’s unusual background and skill set that often leads to unusual results, such as the negotiation that resulted in his being hired by the other side; a real estate law legend in the making. In that deal, he represented Luxor Capital Group LP in a complex land development deal with Newport Beach, Calif.-based homebuilder William Lyon Homes Inc., helping the companies hammer out the \$55 million financing of a real-estate buy timed to coincide with William Lyon’s pre-packaged bankruptcy.

William Lyon was so impressed with Shapiro’s work that they retained him to represent them, and Shapiro has since worked with the homebuilder on eight deals including acquisitions and dispositions.

“To me, that’s the ultimate compliment,” Shapiro says. “Even though there’s an adversarial nature to deal work, they reach across the table and say ‘This is a guy whose work and intellect we respect and we want him to represent us going forward.’”

--Editing by Rebecca Flanagan.

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