

Up Close and Personal with Romer Debbas

ROOTS

MICHAEL ROMER: We started our firm in 2011. It was a simple idea: two friends who were both real estate lawyers with a vision of one day running a full-service real estate firm.

When we started, we were split between real estate and banking. As our firm grew, we wanted to cover all aspects of those areas – residential and commercial real estate and banking – and add anything that also had a synergy with our practice, with the core being residential real estate.

PIERRE DEBBAS: We'll represent a residential buyer of a co-op unit. Then, all of a sudden, next year they're on a board, and now we're representing the board. We wanted to have that diversity because business grows organically in a model like that. At the end of the day, we're a boutique real estate firm, and we want to specialize in every aspect of real estate law.

ROMER: One of the missing pieces for us was litigation. Now that we have two litigators in the firm, we're really able to look at the contracts and agreements that we're working on, run them by our litigation team, and basically prevent future litigation. We're litigation-proofing our transactions, which I think is a great way to look at it.

STAYING CURRENT

RICHARD KLEIN: Many buildings are still working with proprietary leases that were drafted in the early 1980s. They were boilerplate, written by and very favorable to the sponsor. Some boards don't realize that there is a termination date in the leases, and, if it's not extended, sales and refinancings can be stymied.

Then there is technology. Most leases and bylaws provide for notices to be given by mail, certified mail, with a return receipt requested. But who even goes to the Post Office nowadays? The proprietary leases and bylaws need to be updated so that a board can function, and not necessarily with everybody in the same room.

STAYING INVOLVED

EMIL SAMMAN: A lot of litigation stems from shareholders feeling like they weren't treated fairly by their board. Part of the issue is that they don't fully understand a board's responsibility. They think any time a problem arises, like noise, the board is there to solve it. But the board's role, especially in a co-op, is limited. To be quite honest, though, I find that if a board gets involved and shows the shareholder that it cares, it helps the issue go away. The stuff that gets to litigation would blow your mind. Even though I am a litigator, one of the things that I recommend is mediation/arbitration, especially for issues between shareholders.

KLEIN: And because you have to report any litigation on your financial statement, potential buyers might get concerned. You really want to take steps to resolve – to mediate or arbitrate – so that you don't have that litigation showing up on your financials.

ADVICE FOR SOMEONE JUST JOINING THE BOARD

KLEIN: Keep it nice and cordial. Always keep your relationships on good terms. ●



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