

Hospitality MVP: Sheppard Mullin's Lawrence Eppley

By **Brian Mahoney**

Law360, Washington (November 21, 2013, 11:47 AM ET) -- Sheppard Mullin Richter & Hampton LLP's Lawrence C. Eppley has represented Oxford Capital Group LLC in a number of major real estate transactions geared toward hotel development, including the July purchase of a building on the city's historic Michigan Avenue, earning him a spot on the list of Law360's 2013 Hospitality MVPs.

Eppley, who is the managing partner of Sheppard Mullins' Chicago office, specializes in real estate finance, development, public and private finance and joint ventures and raising equity. His small group has made its mark on the Chicago real estate deals market since forming in July 2012 and has represented a number of clients in recent acquisitions and redevelopment of major Chicago landmarks.

Eppley told Law360 that his hospitality group's "sweet spot" is working with sponsored equity in purchasing properties for redevelopment as hotels, focusing more on high value-add projects rather than on advising developments from the ground up.

One of those projects is the 21-story building formerly known as the London Accident & Guarantee Building, which Oxford Capital acquired in July. The building, designed by Alfred S. Alschuler, is a registered Chicago landmark. Oxford Capital intends to transform the building into a "high-design lifestyle hotel with storefronts of distinctive Michigan Avenue retail," according to a statement from the private equity group.

Eppley is also representing Geolo Capital in its acquisition and ongoing redevelopment of the former Chicago Athletic Association, also on Michigan Avenue. The landmark building will be refitted as a lifestyle hotel with restaurants and a rooftop bar, according to Geolo.

For Eppley, helping design the transactions for the iconic Michigan Avenue buildings ranks among his most satisfying work because he is actively involved in transforming city landmarks for new uses.

"Every once in a while you get to participate in something that's transformative in the city," Eppley said.

"Those are both very iconic buildings in Chicago, you know people know them by name ... people know it intimately ... seeing them on the street or driving by in a taxi or being out on the lake seeing it, they both are buildings that should have been hotels decades ago," he added.

Eppley considers many of his equity sponsor clients to be "contrarian" investors who have seen the recent recession as an opportunity to obtain properties and add value through redevelopments.

Oxford Capital is a good example, Eppley said. In 2012, he advised the group in its acquisition of a foreclosed and partially completed hotel in Chicago and redevelopment of the site into an upscale hotel called The Godfrey. As part of the deal, Oxford Capital acquired the old building's defaulted mortgage, deed in lieu of foreclosure and lien foreclosure litigation.

"This last down cycle was a good opportunity for contrarian buyers to start to buy value," Eppley said. "The Godfrey is a good example of that."

Eppley also credits his group's success to the culture at Sheppard Mullin. He and many of his colleagues formerly worked at the now-defunct Bell Boyd & Lloyd LLC but left the firm soon after its merger with the significantly larger K&L Gates LLP. Sheppard Mullin's tightly focused, Midwestern roots have meshed well with Eppley and his colleagues, he said.

"Sheppard Mullin's culture is very much what we were used to at Bell Boyd," Eppley said. "There's a recognition that the lawyers are professional, highly educated, aspirational ... it's very much in keeping with how we think the law business ought to be approached."

"We joined, and from a hotel, hospitality standpoint, found even more resources we could turn to," he added.

The team draws major clients looking for corporate legal expertise flavored with a highly sophisticated knowledge of real estate and the hospitality industry, according to Eppley.

"From the hospitality practice standpoint, we've sort of always approached hospitality from a corporate standpoint, corporate with a strong real estate expertise," Eppley said.

"We're able to do all of this with a hospitality focus, which, from our standpoint, is a little bit unique," he said.

Eppley's other recent work includes representing the Sapir Organization in connection with the recapitalization of the Trump SoHo in New York; representing Geolo Capital in connection with its acquisition, financing and redevelopment of the Collins Hotel in Miami Beach, Fla.; and representing Cube Capital in connection with its joint ventures, acquisition and development of hotels in Florida and New York, according to the firm.

--Editing by Katherine Rautenberg.