

Q&A With Sheppard Mullin's Domenic Drago

Law360, New York (January 17, 2012, 1:43 PM ET) -- Domenic Drago is a partner in Sheppard Mullin Richter & Hampton LLP's San Diego office, where he leads the firm's real estate, land use and environmental practice group. His practice includes a variety of real estate transactions. He has experience in real property purchase and sale, leasing and finance transactions. He represents owners and developers of residential subdivisions, multifamily developments, shopping centers, hotels and commercial and industrial office buildings. His finance experience has included both borrower and lender representation in the initiation, modification, purchase and sale and workout of secured loans.

Q: What is the most challenging case or deal you have worked on and what made it challenging?

A: One of my most challenging transactions involved the acquisition and financing of a large tract of ex-dairy land to be developed as a master-planned residential subdivision. The property was in foreclosure, and so we had very little time within which to negotiate the acquisition, obtain new third-party financing and put together four sales contracts to merchant builders. It was fun and challenging putting together a team that included attorneys in our land use, environmental, tax and bankruptcy groups in order to cover all the issues and get the deal closed on time.

Q: What aspects of your practice area are in need of reform and why?

A: The credit markets are still a mess. Appraisers are afraid of their own shadows as a result of the backlash from the abusive practices during the housing bubble and the uncertainty of the market. Lenders are hesitant to extend credit and finding new ways to say no. Until we strike the correct balance between regulation and free commerce so that credit becomes more readily available, it will be difficult to get deals done.

Q: What is an important issue relevant to your practice area and why?

A: In California, two major areas we are focused on are the impact of climate change legislation and the future of redevelopment agencies. Future development in California will be greatly impacted by changes in both of these areas.

Q: Outside your own firm, name an attorney in your field who has impressed you and explain why.

A: Michael Hickman at Polsinelli Shughart in Kansas City, Mo., recently represented a special servicer in connection with my client's assumption of a distressed commercial mortgage-backed securities loan as part of a hotel acquisition. Mike impressed me with his excellent legal skills and willingness to help craft practical business solutions to issues. He worked extremely hard in meeting the important deadlines and was always a pleasure to deal with.

Q: What is a mistake you made early in your career and what did you learn from it?

A: Like many young lawyers right out of law school, I focused on learning the technical aspects of the practice and assumed that being the best lawyer I could be would automatically lead to new clients. I soon realized that, as with most things in life, the law business is all about the people. Drafting and negotiating an excellent contract is something all clients expect, but what they also look for is a lawyer that they like and trust. Establishing trust and friendship with my long-time clients is by far my favorite aspect of practicing law.

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