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REAL ESTATE, CONSTRUCTION & ENVIRONMENTAL EDITION

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## 'As Good As They Get'

**RON GRAIS:** Lawyer, Developer, Financier and  
Provider to the Mentally Handicapped

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# RON GRAIS

## Serving His Clients and Those Less Fortunate

by Dan Rafter

Ronald Grais considers himself an accidental lawyer.

What's that? In Grais' case, it's a lawyer who's built a thriving legal career that's lasted more than four decades. But it's also a lawyer who more than 40 years ago never thought he'd spend a day practicing law.

Grais (pronounced "grace") did attend the University of Chicago Law School, graduating with his law degree in 1968. His dreams back then centered on the field of business. But he wasn't thrilled with the education he received. He thought that law school would leave him with a greater base of knowledge, one that he could take with him as he pursued a career in the world of business.

Things didn't work out that way. Grais discovered something surprising as he worked through his classes in law school: He had a real passion for the law and its many intricacies.

"I didn't think business schools were a real choice when it was time to pursue a higher degree. When I was in law school, I ended up working at law firms in the summer. I found that I kind of liked that work. Then one of the firms offered me a job. That left me with a decision: I could go into business or I could go the other route and start a career in law. Well, I started practicing law, and I've never looked back," Grais says.

Grais is now of counsel in the Chicago office of major law firm **Jenner & Block LLP**. He is a key member of the firm's Real Estate and Climate and Clean Technology Practice Group and a valued member of its Real Estate Finance Litigation and Workout Task Force.

Real estate is a particular focus of Grais' legal career. This makes sense: For more than 20 years, Grais, while working as an attorney, also ran his own real estate development company, The Grais Company. That company is no longer active, but Grais' work with developing everything from shopping centers and office buildings to multi-family projects has given him a valuable perspective when representing his own developer clients.

Grais understands the challenges in navigating complicated zoning laws, negotiating with aldermen and community groups, and

working out troubled mortgage loans. He's done all of this during his real estate career.

With this experience, then, it's not surprising that Grais has become one of the most respected real estate law specialists in Chicago. It's not surprising, either, to learn that Grais isn't planning to slow down any time soon.

### A True Expert

Grais often taps into his two decades experience as a developer to represent a wide range of clients, everything from receivers in foreclosures—a particularly active part of his practice in today's challenging real estate industry—to trustees in bankruptcy who are charged with completing construction projects and the disposition of real estate assets. Grais also has experience in representing owners and contractors in construction disputes.

But though he specializes in real estate, this is just one part of his thriving legal career. As a member of Jenner & Block's Climate Change and Clean Technology Practice Group, Grais has also turned himself into an expert on the many intricacies involved with LEED certification and development.

This, too, is an important part of Grais' practice, and it ties into his vast experience in real estate. Green building has become a hot trend in the residential building industry. A small but growing number of buyers are willing to pay more for green-built condominiums and single-family homes. Because of this, developers are more than ever striving to attain LEED status from the U.S. Green Building Council.

Grais can, and does, help with this. He's become such an expert on this topic that he is an in-demand speaker at national conferences and seminars that deal with green leasing.

During his career, the real estate industry has tapped Grais for his expertise. He has addressed legal and real-estate professionals on the subject of downtown redevelopment at several national conferences, including the Urban Land Institute National Convention, the International Downtown Association National Conference, the Urban Mass Transit Agency National Symposium, and the International Council of Shopping Centers/HUD Conference

on Centralized Retail Management.

To say that Grais has so far enjoyed a varied and successful legal career would be an understatement. He's worked with the most important people in commercial and residential real estate, and he's always earned praise from these VIPs.

Just ask Richard Stein, senior managing director at Chicago-based financial services firm Mesirow Financial. Stein is one of the co-leaders of the firm's real estate practice. He's the definition of a real estate veteran, having logged more than 45 years worth of experience in the field.

And when he needs something done, he calls on Grais.

"Ron knows the law, but he also knows how to make a deal," Stein says. "In other words, you can find a lot of lawyers who know the intricacies of the law. But when you find one who can make deals happen, without alienating anybody, you've got a real ally. That's what I've found with Ron."

Stein often calls on Grais for his sound advice. Grais is a master at laying out the options that Stein faces, explaining each of them in detail, so that the real estate pro can better make the right decision.

Stein feels comfortable working with Grais not only because Grais is a top-notch lawyer, but because he understands the real estate business so well. The worlds of commercial and residential real estate come with their own intricacies, rules, and jargon. Grais already knows the language of real estate. It makes his advice to real estate professionals all the more valuable.

"He has all the character and ethics that you want in a lawyer, all of that. But he really knows the real estate business and deal-making as well as anyone I have ever worked with," Stein says. "That advice and good judgment is something that you can't buy by the hour. He's been around real estate for a long, long time. Whether he's representing me while I'm buying a piece of land or working out a loan or a complicated lease, his advice has been invaluable."

Even better, Grais isn't afraid to give his clients, including Stein, advice that costs him



business. This, Stein says, is a rare quality.

"If it's not an area that he has expertise in, he'll tell you," Stein says. "He'll tell you if there is someone who has more experience with a certain matter. If it's not in his wheelhouse, he's not afraid to let you know. I appreciate that he'll suggest someone else in these situations. That's more evidence that he truly has your best interests at heart."

### **Juggling Two Businesses**

"I had a good friend whom I had met during my summer jobs while I was in law school. He was also a lawyer. We talked a lot about practicing together," Grais says. "I spent a year at one firm. By that time, as only a second-year lawyer can, I thought I knew everything I needed to go out on my own. My friend and I did. We joined two other more experienced guys and began practicing on our own. Well, I learned that I didn't really know everything. But it has been an interesting career ever since."

Interesting is an understatement. For much of his career, after all, Grais had juggled two busy enterprises, his budding law firm and his growing real estate business.

Many would consider this to be an overwhelming challenge. Grais didn't. He looked at it as more than just a bit thrilling.

From 1980 to 1990, Grais concentrated first on his real estate business while secondarily practicing law. But while Grais' real estate company was building shopping centers and multi-family buildings, the law firm he had

helped start continued to grow. Eventually, it boasted a solid roster of 16 lawyers.

This kept Grais busy. He ran his real estate company while managing a growing law firm.

"I never wanted to give up either real estate or law," Grais says, explaining his decision to juggle two businesses. "My father, my uncle and my grandfather had all been real estate investors. It was something that had always interested me."

Shortly after Grais began practicing law, the opportunity to delve into real estate development presented itself. Grais' uncle brought to him a real estate deal. Grais seized the opportunity to work together with his uncle. This led to a fascination with the real estate business that Grais still carries with him.

"I enjoyed that first real estate deal so much that I wanted to keep doing it," Grais says. "I really do enjoy the entire construction process. I enjoy working through zoning issues, assembling all the pieces of a development. It's what I've enjoyed ever since. There are so many projects to work on and so many facets involved in all of them."

Of course, the real estate business has changed dramatically since the day that Grais' uncle came calling. Today, both the commercial and residential real estate industries are suffering through slumps the likes of which they haven't experienced in decades. Home values are down. Foreclosures are up, way up. And residential real estate agents are rushing to learn the nuances of short sales.

The real estate business is far from a happy place today.

Grais points to the work he's now doing for one client in particular as representative of the type of real estate work he's handling more frequently today. He's been working closely with a receiver for about a year now on a broken condominium project. The receiver is finishing the condo project's construction, which means that Grais is dealing with the intricacies of a construction contract, lien issues, and the working agreements with general and sub-contractors.

Clearly, Grais likes the challenge of doing many things at once. Even he, though, isn't quite sure why this has always been his preference.

"I'm not sure, but it does keep me on my toes," he says. "It keeps me interested. I like being able to deal with a lot of different issues. I like dealing with real estate matters. I guess I'm happiest when I'm busy working on several different things at once."

The field of real estate has certainly helped Grais follow this desire. After all, it changes on a cyclical basis. One year, the commercial and residential markets will be booming. The next, signs of trouble will appear. And the next? A down market has arrived.

This requires specialists in real estate law to be adaptable. And that's certainly a personality trait that Grais has developed over the years.

He admits that the new real estate market has dramatically reduced the number of ground-





The Thresholds building, where Graiss and his family serve Thanksgiving Dinner annually, is named in his honor. Graiss and his wife, Marilynn, here join one of the Thresholds' members who has resided there since the building opened in 1999.

up developments in which he's involved.

But it has freed him up to turn his attentions to another passion: helping provide affordable housing for people with mental disabilities.

## A Helping Hand

Since 1982, Graiss has been an active supporter of Thresholds, a national agency that provides services to people who suffer from mental illness. Because Graiss has always focused on real estate during his long legal career, it makes sense that he would make it his mission to provide the people served by this organization with low-cost and high-quality housing.

Today, Graiss is a director, officer, and committee member of Thresholds, and he serves as president of Thresholds Rehabilitation Industries.

"This agency has a particular challenge now. There are so many people with mental illness who need housing," Graiss says. "We've done everything from building it to acquiring it to leasing it. We've turned to every way there is to control residential units and provide supported housing to this organization."

Much like Graiss' path to law, his association with Thresholds didn't quite develop along a straight path.

Graiss, in his role as real estate developer, had developed a loft building on Franklin Street in Chicago, converting it into offices. Both Graiss' law firm and real estate business used this building as its home base.

Graiss' then-landlord recommended that he rely on the cleaning services provided by Thresholds for the building's regular maintenance. As part of its services, Thresholds employs workers with mental disabilities to handle the janitorial and cleaning duties at offices across the Chicago area.

The landlord's advice made sense: By working with the non-profit, Graiss would not

only feel good at helping out people in need, he'd also have to pay less to keep his offices clean: By working with Thresholds, Graiss' businesses would receive a tax credit.

One night, as Graiss was leaving his office, he noticed that one of the Thresholds cleaning staff employees had taken off his rubber gloves and was reading a medical textbook. Graiss asked the man why. His answer impressed Graiss:

know: Mental illness is an equal-opportunity disease. It strikes people from every background, ethnic group and socio-economic group. Graiss joined the board of Thresholds and learned more about their work.

As he did so, he knew that he needed to get more involved with the organization's mission.

At the same time, Graiss had purchased an SRO hotel. His original plan was to remove the residents—mostly poor, with some who were suffering their own mental illnesses—and convert the building into office space. Graiss' wife one day took a tour through the building with her husband. She asked the big question: "Where are all the residents going to live?"

Graiss' wife argued that it was their responsibility to put at least as many affordable residential units back into the market to replace the ones that they would be eliminating. And Graiss' wife wanted this to be the case with every project Graiss' real estate development company took on.

"And she told me not to forget that," Graiss says. "I never have."

Graiss has since worked with Thresholds to develop scads of affordable housing for the program's patients. Thanks in part to Graiss' assistance, the organization now has 1,000



Graiss and his wife, Marilynn, at the annual Thresholds Golf/Tennis Benefit, which they have hosted at Northmoor Country Club for more than 15 years.

"He told me he had had his initial onset of schizophrenia in his first year of medical school," Graiss says. "This man knew he wasn't likely to ever become a doctor. But that didn't mean that he didn't one day want to have a job in the medical industry. He knew that Thresholds was helping him get his life back together and deal with the symptoms of his illness. At the same time, he wanted to continue on his own his medical education. That really surprised me. It moved me."

Graiss soon discovered what many don't

housing units under its control. That's a big improvement from the 50 or 60 units that the organization had when he first started working with it.

But the need for affordable housing has certainly not lessened in today's tough economic climate. Graiss knows that Thresholds needs even more units, and he's prepared to take advantage of the residential real estate business' current market situation to acquire even more units at lower cost. Graiss will use both his understanding of the real estate

business and his legal experience to make this happen.

“You could say that this market represents a bit of a perfect storm,” Grais says. “The owners and developers want to sell their buildings. Banks are willing to take a discount. And we are happy to buy them.”

Like most people who dedicate a good portion of their lives to serving a charitable cause, Grais says that the rewards from his work with Thresholds far outweigh the energy he’s put into the cause.

“Doing this work makes you feel very good,” Grais says. “It’s one of the most rewarding parts of practicing law for me. Sometimes, people say that it’s important for non-profit organizations to have a lot of board turnover. Well, I’ve been on this board for more than 25 years. I don’t know what I’d do if I had to leave it and stop doing these things. It’s become a very important part of my life.”

It’s become an important part of life for Grais’ entire family. At least once or twice a year, Grais takes his family—his wife, son, daughter and grandchildren—to serve dinner to the Thresholds patients. It’s become an annual tradition on Thanksgiving.

“It’s the way we celebrate that holiday,” Grais says. “No one is surprised when we all head down to serve. Even my 9- and 11-year-old granddaughters are happy to do this.”

## Concentrate on Giving Good Advice

While specializing in real estate can be a thrill, it can also be a challenge. After all, the real estate business is constantly changing. This can make helping clients a true feat.

In down real estate markets, this challenge becomes even more pronounced.

“It isn’t always easy working with clients who are feeling the pain of this industry right now, of their projects not working out as well as they had planned,” Grais says. “It’s hard to have people whom you have worked with for years, who have become friends to you, have to go through these tough times. You just have to concentrate on giving them good advice to get them through times that are often unpleasant.”

Grais relies on a systematic approach to help his clients through difficult economic times.

He studies one at a time the many issues that face his clients. This approach allows him to solve a series of smaller problems, and it’s often easier than trying to resolve a much larger situation all at once.

“The most important thing I learned during my legal education was the importance of taking a problem apart rather than looking at the whole thing at once,” Grais says. “You have to look at how the parts come together. If you can solve one problem at a time, you’ll somehow or another get the whole problem solved.”



Grais and his wife, Marilyn, by Chicago’s Millennium Park.

Working in such a challenging real estate market also requires another skill: the ability to tell clients bad news.

This, too, isn’t always pleasant. But for attorneys, being able to succinctly and accurately relay bad news is an important part of the job.

“The best thing I can do for clients when I do have bad news is to be very accessible,” Grais says. “I answer my phone when it rings. I go to my clients when they need me. I always felt that in real estate practice you need to be on the ground wherever the project is. You need to be prepared to walk through the project and talk about it. It’s the same way when dealing with any client: You have to be willing to be there, on the ground floor, to help them work through their problems.”

The bad market is also difficult for the attorneys who specialize in real estate law. Grais, though, has been around long enough and has built up enough of a reputation to be able to weather the bad commercial and residential markets.

In fact, he’s found plenty of work to keep him busy even during the worst days of the real estate slump.

“The good news is that my receiver clients are very busy,” Grais says. “They are bringing me broken condo developments. They are bringing me shopping center developments that need to be pieced back together or repurposed in one way or another. I’m working on mechanic’s liens. I’m working with contractors who never had trouble getting

paid before who are not getting paid now. They do need a lawyer now when they might never had thought about needing one before.”

Grais can rely on his more than four decades of legal and real estate knowledge to guide him. He’s seen both up and down markets, while many entrepreneurs specializing in real estate weren’t in the business for the last down cycle. The real estate market went through an unprecedented growth spurt before its current downturn.

“There aren’t many who can say they were here the last time the market went bad,” Grais says. “We had about 16 or 17 years when the real estate market just continued to go up and be very positive and active. A lot of people made a lot of money just by showing up. That has all changed. I was here the last time, though, that the market slumped. People back then thought it would never come back that time. But it did. It’ll be a little slower to come around this time. But I know that it will. There will be new real estate deals.”

Steve Baer, a member of Chicago-based Rally Capital Services, a firm that specializes in real estate workouts and turnaround work, can vouch for Grais’ ability to adapt to any market. He’s worked with Grais for at least 35 years, during good and weak real estate markets.

“Ron is as good as they get. And I’ve worked with some wonderful lawyers,” Baer says. “But Ron is the best. He is a very practical, pragmatic, but at the same time creative, counsel who is able to work through a situation and identify the critical issues.” ■