

ALUMNI SPOTLIGHT:

EDWARD A. BLOOM, ESQ.



The staff of the Law Brief had the opportunity to meet with Edward A. Bloom, an alumnus of Washington College of Law. Mr. Bloom is a partner in the Real Estate and Corporate departments of Bell, Boyd & Lloyd. His practice focuses on real estate development, real estate litigation, lending, leasing and corporate matters. To this day, he remains an active part of the WCL community. In this interview he talks about his time at WCL, his career as a real estate attorney, and gives our audience some advice on how to weather the current economic crisis.

1. What sparked your interest in real estate law and how did you break into this business?

My grandfather was a bailbondsmen which sparked my interest in law at a young age. During the tenth grade, I took a course in basic law and knew that it was the career for me. After that class, everything I did academically was to become a lawyer. During law school, I had an interest in real estate law. After graduating I clerked for a year and after the clerkship I received a call from a two-person law firm that was basically an in-house counsel to a developer. It was a dream job and I was able to work on \$25 million dollar deals at the age of 27. I worked very long hours and very hard, but learned quite a bit during those early years.

2. What classes did you take to prepare you for a career?

Property law, of course. I also took a class on modern property transactions and mortgages. Additionally, I enrolled in some general business classes such as corporations, tax, and wills, trusts and estates.

3. How has being active in the WCL community enriched your career?

I think WCL gave me a great start and some of my closest friends are from law school. Professionally, my first job was clerking with two other WCL grads. It is great to have contacts, especially as a young lawyer, when you are still learning and looking for potential business.

4. What has been the most interesting aspect of your career in real estate?

I love doing transactions, especially a challenging transaction that really makes me think. Doing a closing is the best part. After working on a matter for six months, it is always thrilling and fascinating to close on the transaction.

5. Do you have a favorite transaction that you helped to complete?

One of my favorite transactions was working on the first securitized loan transaction by NationsBank in Tysons Corner. It was a \$90 million transaction and the first of its type for this bank. Since it was the first time a transaction was structured this way for NationsBank, there were lots of novel legal issues. All of the top bankers from NationsBank came to the closing because it was such a novel concept and they wanted to be there to be part of it.

6. Can you explain to us in your own terms how you think the banking crisis came about?

There is no single answer. I am just a real estate person, not a financial person. My opinion is that there were many factors. First of all, there are general business cycles. Secondly, I feel that the government was not quick enough to react to the economic crisis. Deregulation was also an issue because it allowed the banks to make the types of deals that led to this crisis. No one was watching the banks and they were not watching themselves. Additionally, other people got greedy such as investment banks got into real estate, which was not their primary source of business.

7. Do you think that stricter regulations are the best way to ameliorate the situation or do you think there is a better way to make a correction?

Although I am not in favor of the country writing a \$750 billion check, I think that we have no other choice. Now that the government has given money to the bank, it should be more closely regulated. I do not think that there are enough conditions in place for the \$750 billion bailout. I also believe that the auto industry needs to be bailed out. Too many jobs are at stake and them going bankrupt will have catastrophic effects on the economy. Government needs to get more controls in place. I am also in favor of an infrastructure program and feel that there needs to be stricter regulations on lending.

8. What advice would you give individuals to encourage them to continue to invest in real estate?

If you have the money, now may be a good time to buy because you can come in as a bottom feeder if you are careful with what you buy. If you are an existing company on solid ground, it could be a good time to buy a building for office space or a warehouse if you are currently renting. As an investor, if you have cash and you are careful with what you buy, you can really hit pay dirt if you are willing and able to sit on it for a while. I would, however, avoid the condo market.

9. How do you think that the new administration will aid in the current situation?

Whenever there is a change in administration there is an automatic feeling of stability. People will also like the change to a new political party because there is currently such an economic collapse. Regardless of party affiliation, historically it will be good for the country to have a shift at this point. Normally that happens right after the election, but since it is so bad people will be waiting until the summer or fall to see what happens. President Obama seems to be surrounding himself with some very good people. When you think of presidents, whether or not you agree with them politically, some of the best have surrounded themselves with brilliant people. This next year, however, is going to be difficult until we regain consumer confidence.

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10. How long do you think it will be before we see new building projects begin?

It is hard to say. It will not be ten years, five years, or two years, but it also won't be six months. If I had to estimate, I would say first quarter of 2010, after the new president has been in office for a year. It also depends on how far we fall, as far as credit availability goes. There will not be much investment until the end of 2009. At that time, people with good credit will have opportunities as banks begin to relax lending standards. It will probably not be before 2010, however, before people with lower credit scores are able to obtain loans. It will be a very long time before the condo market comes back.

11. You drafted the Commercial Form Real Estate Acquisition Agreement. How do you think that implementation facilitated more efficient transactions?

Prior to this we did not have a form commercial purchase agreement and everyone chose their own form. It enabled people to have a form to use. More importantly, when speaking with another lawyer about language, it serves as a good default to use when making language decisions. It is the form that I use in my practice and many other lawyers do as well.

12. Now that it is used as a default form and you have seen where there needs to be clarification, how do you think that it can change to improve?

Last time the agreement was done was '89 in the middle of the last crisis. I think that it is probably time to revisit the form. There have been a lot of changes, for example, in environmental laws. The dispute resolution clauses need to be changed somewhat and some of the financing sections are somewhat obsolete. Overall, however, I think the form still works well.