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Beyond the Business Card - Anton "Tony" Natsis

ANTON "TONY" NATSIS

FIRM: Allen Matkins Leck Gamble Mallory & Natsis LLP

POSITION: Partner and chairman of the firm's Real Estate Department

ASSOCIATIONS: Chief Consultant of the California Continuing Education of the Bar Commercial Leasing Series, an adjunct professor of law at Loyola Law School, and a founding board member of the University of California, Los Angeles, Ziman Center for Real Estate

EDUCATION: Bachelor's degree, business administration, University of Michigan, 1980; Juris Doctorate, University of Michigan, 1983

The attorney who led the team that did the due diligence for The Blackstone Group on the largest commercial real estate deal during the boom years - the \$41 billion purchase of Equity Office Properties in 2006 - never intended to work as a commercial real estate attorney. When Tony Natsis graduated from law school in 1983, his intent was to be a bankruptcy lawyer. When he began working at Sheppard Mullin Richter & Hampton LLP, he was asked if he wanted to specialize in bankruptcy or corporate law. He chose bankruptcy but was told he had to do a rotation working as a corporate lawyer specializing in real estate. He tried to convince the head of the department that he should be able to opt out but was unsuccessful. He worked in real estate and then was able to practice the speciality for which he had hoped. But bankruptcy law was much different from what Natsis had envisioned, so he returned to working in the speciality he had once ardently avoided. Today, Natsis heads a team of 120 attorneys who practice real estate law at Allen Matkins Leck Gamble Mallory & Natsis LLP.

What was it about bankruptcy law that turned you off?

I discovered in bankruptcies that no one is happy. If I represent the creditor and win, I still only got 10 cents on the dollar, so the creditor is not happy. When you are chasing someone who owes the client money, you will not get 100 percent of the dollars back. So the creditor is not happy because they lost a bunch of money. The debtor is not happy, because you are chasing them down. It's like going to a football game where no one ever scores, as opposed to real estate, where a game can have a score of 77 to 75.

Taking that a step further, how would you describe today's score in real estate?

This year, we are not scoring at all. But if you don't like cycles, you shouldn't be in real estate because it is a cyclical business. But don't be in real estate and pretend you are totally amazed that there is a cycle to it.

How does it feel to be part of the largest transaction in commercial real estate to occur during the boom period?

Blackstone's acquisition of Equity Office Properties for \$41 billion? The reason that deal was so interesting is because they acquired Equity Office, which had 100 million square feet of office space. You can't buy an office REIT that size and not understand the risk factors, because it is so much more complex than purchasing a single office building. I did a lot of due diligence and studied properties, primarily in the

Western region, to figure out the upside and downside. I then delivered the information to the people so they could put it in their economic model - so they could make a bunch of calculated deals.

How did they make out?

As a whole, it was absolutely sensational. They bought all of EOP, but sold over 50 percent of it at close of escrow. And they did it for prices much higher than they estimated the parts were worth. They sold San Francisco, Orange County, the Northwest, San Diego, New York and Denver for really high pricing above the allocated price. This was by design. They kept properties in Boston, Silicon Valley and Los Angeles. They kept well-priced, well-built, Class A office space. They weren't caught holding the bag.

What is the most challenging aspect of your job?

It's not what you think it would be, which is making the clients happy. We have content, happy clients. The most challenging aspect of the job is to make sure all the people working on your team have the same service level and service model - and they treat all the clients the same way. If you do that, you don't have to worry about the clients. I am constantly mentoring, training internally and monitoring what everyone does. We have a team approach. I find the most efficient person to do whatever task a client needs done.

What do you see as the biggest pitfall for your industry today?

The biggest problem in the legal industry was that too many firms grew too big too quickly and raised their rates too significantly because they were incredibly busy and thought the clients would pay it. That is why larger firms are having problems. They have priced themselves out of the market.

How has that impacted your firm?

I don't think we were geniuses, but in 2000 we had 200 lawyers. And in 2008, we had 240 lawyers. If you look at other firms, they might have had 350 lawyers in 2008. Our rate increases didn't uptick with the market uptick. We raised rates as we normally would. We didn't suffer from growing pains or overpricing.

What is something about you that most people would find surprising?

When I was younger, I was the most vicious collector of baseball cards. I probably have over 35,000 baseball cards. The excitement wasn't collecting, it was trading. That's how I developed my negotiating skills. I would show up with 12 cards and leave with five of your cards. I traded mine but got them all back. I didn't hone my negotiation skills during business school or law school. I did it when I was 5 to 14 years old.

If you could relive one day in your life, what would it be?

My best year was 1989. I married my wife. My University of Michigan Wolverines won the Rose Bowl. The Wolverines basketball team won the championship. And I became a partner at TroyGould, the law firm I worked at from March 1985 to June 1991. So, 1989 was a pretty good year.

What's your favorite leisure activity?

Watching my children play sports - and/or sometimes coaching them. I have a 17-year-old boy and 15-year-old boy who are tennis players. I have a 13-year-old daughter who plays volleyball and basketball. I have coached them all. That is easily the most fun and relaxing activity.

- Interview by Keeley Webster

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