

Ed Halper

Honesty, Knowledge Are Cornerstones of His Business Law Career

by Dan Rafter

Four months into his career as a high school teacher, Edward J. Halper knew he had made a mistake. He couldn't imagine spending the rest of his professional life in a classroom.

The passion for teaching wasn't there. And Halper wanted to feel that passion for his career.

After analyzing his options, Halper made a pivotal choice: He decided to take the LSAT. Not only did Halper take the test, he did well enough to consider a career in law.

"I didn't have anything to lose, so I gave it a try," Halper says. "Turns out, I did very well in law school. What's more important is that I really enjoyed it. I enjoyed my classes. I found my calling."

Halper's change turned out to be a fortunate one for his many happy clients today. A partner at Chicago-based law firm **Taft, Stettinius & Hollister LLP**, Halper ranks as one of the top business and finance lawyers in the country, working regularly with banks, construction firms, real estate companies and industrial clients. He has helped these clients defend themselves from employee lawsuits, grow their businesses through often-complicated mergers and acquisitions, and navigate through complex but necessary restructurings.

Along the way, Halper has specialized in creating clients for life, the clients who keep coming back for Halper's counsel, advice and legal skills. As Halper's clients say, few lawyers boast the depth of business and corporate knowledge he has.

"He not only knows the law, he knows the banking world," says James Hannon, of counsel with the Chicago law firm of Gozdecki, Del Giudice, Americus, Farkas & Brocato. "That's an extremely important skill for a business lawyer to possess. And Ed has always, ever since I've known him, had that ability to really understand what your business is about."

Hannon would know. In 1999, he left a career in law to become the full-time chairman at Hinsbrook Bank & Trust in Willowbrook, which was later sold to Wintrust Financial. During his time in the banking world, Hannon relied extensively on Halper's expertise to help close several important transactions.

Halper always impressed Hannon during these instances. Today, now that Hannon has returned to law, he continues to cross paths with Halper. And, again, Hannon always leaves these encounters impressed.

"A lot of lawyers can spout off facts about the law. They can tell you what the law is," Hannon says. "But I usually needed something more practical when I needed Ed's help with a banking matter. I needed someone who knew the banking world just as well as the law. And Ed knew banking. He also knew that sometimes the legal solution isn't the only solution to a problem. Sometimes a common sense approach is actually the better way to go in the business or banking world. That approach, that knowledge, is what distinguishes Ed from others."

(Continued on page 198)



(Continued from page 196)

Business Law: What Matters Most

Hannon is far from alone in his view of Halper, who has impressed plenty of clients in the banking, financial and business worlds.

Maybe that's because Halper knows what makes for a successful business lawyer. As he says, the best learn the business plans of their clients and study their business models. They also understand the laws and regulations that could impede the business success of these clients.

The best finance and corporate lawyers understand, too, how they can best use legal tools to enhance the business model of their clients, to help these clients succeed in their often competitive industries.

How do top lawyers gain this knowledge of their clients' business plans and models? There's no secret formula here. As Halper says, it's about communication.

"It's all about talking and listening to your clients," Halper says. "It's about understanding what they are doing and how they are doing it. It's about structuring loans and credit transactions in such a way that there is enhanced value for my clients. Over my career, I think the bank officers and my non-bank clients have all appreciated that I do this. They have recognized the value that good lawyering adds to their businesses."

Honesty is an important element of Halper's success, too, and another reason he continues to attract so many lifelong clients. This honesty includes telling clients news they don't want to hear and telling them when they want to do something that Halper considers illegal.

"There have been occasions when I've told clients, 'No. You can't do that,'" Halper says. "Clients never want to hear that, of course. But there are times when they need to. If you're an honest lawyer, you can't be afraid to say 'no' when necessary."

As an example, Halper points to the work he did with a Chicago bank that wanted to establish home equity lines of credit. Today, these lines of credit—in which homeowners borrow up to a certain amount of money based on the equity they've established in their homes—are common offerings at banks. But when Halper and bank officials first began drafting the specifics of his client's home equity program, home equity lines of credit were a new option for consumers.

How new? Halper's client became one of the first three banks in Chicago within a span of about two months to establish home equity lines of credit.

"At the time, there wasn't any statutory authority for it," Halper says. "It was intellectually challenging and fascinating work."

The bank's officials and Halper, though, didn't agree on all of the basics of the new program. The bank's leaders, for example, wanted to retain the ability to retroactively change the interest rates on their home equity lines of credit after closing the transaction with their customers. Halper told the bank's officials that as attractive as that option might have sounded, it was something that they couldn't do.

"If the interest rate was 10 percent, and the next day you wanted to change it to 11 percent, you were stuck with that 10 percent rate," Halper says. "You can't make changes retroactively. The bank president and I had some serious discussions about that. Ultimately, he agreed to do it my way, which was the legally permissible way. He wasn't happy with it, but he did it, and the

home equity program was successful."

Halper suggested, too, that the bank cap the interest rate on its home equity line of credit to 18 percent. This was at a time when rates were rising as high as 21 percent. Halper recognized that the bank might suffer some losses from this policy, but the marketing aspects would more than make up for the losses.

That turned out to be the case. Halper says a survey at the time ranked his client's home equity line of credit as the most user-friendly because the interest rates were capped at 18 percent.

Halper and Clients Grew Together

Halper already knew how important it was to be honest and to know the fundamentals of the business world when he graduated from DePaul University College of Law in 1973. These beliefs would guide him throughout his career.

Out of law school, Halper became the second associate in a three-lawyer firm. That firm had two financial institutions as clients. One was a savings and loan with more than \$100 million in assets. The senior associate represented that client. The firm also had a bank client with about \$20 million in assets. Representing that client was Halper's job.

He immediately found the workings of the banking world fascinating. And he helped that small client become a force in the Chicago banking world.

"That bank and I both grew together," Halper says.

When the bank was sold in the late '80s, it had more than \$550 million in assets. It also boasted an entrepreneurial group of leaders that took on intriguing work throughout the city. The bank, for instance, closed the first condo-conversion loan on the North Side of Chicago.

The bank even introduced a new program that made deposit history, and Halper was at the forefront of making it happen.

At the time, in the early 1980s, banks could not offer money market accounts. Only thrifts and mutual funds could offer these accounts that generally paid out higher rates of interest. This put banks at a competitive disadvantage.

To help rectify this, Halper and bank officials devised a complicated deposit and lending program that relied on the interest generated from deposits into CDs and loans with one-day maturation periods to approximate the ability to offer their own money market accounts.

"The bank asked me what the regulators would say," Halper says. "I told the bank president that they'd probably ask it to stop the practice because they didn't think it was legally permissible. I told the president that the bank could face cease-and-desist proceedings for unsafe and unsound banking practices. But I also told them that I thought the program was legal, and that we could successfully defend it."

The bank offered the program, and two days later regulators asked it to stop. The bank president, though, mindful of Halper's advice, refused. Eventually, federal regulators changed the rules to allow banks to offer their own money market accounts, a development that received plenty of media and print attention for Halper's clients.

"Most importantly, my banking client was, because of this, able to hold its prime interest rate at 12 percent when the market rate was 18 percent or 19 percent," Halper says. "That allowed a lot of the bank's customers to preserve the equity in their businesses. They were being squeezed by the prime rates. This kept

that from happening."

Success stories such as this don't surprise John Eilering, president of Mount Prospect State Bank. Eilering has often worked with Halper, relying on his legal advice heavily when Eilering was part of a group starting a new bank in 1997.

"Ed was extremely helpful in that," Eilering says. "He had experience in helping banks get their start. He knew the route that we had to take. We were up and running within six months, faster than most. We were very successful using Ed's guidance and experience."

Eilering has now relied on Halper's legal expertise for more than 32 years. He still taps Halper's knowledge today as he works to grow his current bank.

"We continue to go back to Ed because he has been very helpful for us. Just his caring alone makes a difference," Eilering says. "He cares about his clients and whether they do well."

A Career That's the Right Fit

Halper, even though he's been practicing law since 1973, is never bored with his profession. That's largely because the work remains challenging. As Halper says, when he took that first legal job more than 40 years ago, the *United States Code Annotated* took up about three feet of a bookshelf. Today, it probably consumes almost 10 entire bookshelves.

"There have been constant developments in the law," Halper says. "Keeping up with those developments is always a challenge. You always have to figure out how you can be a problem-solver for a bank or financial institution. That has always been very interesting to me."

Back in the late 1980s and early 1990s, for instance, when many smaller banks were being sold to larger financial institutions, Halper played a major role in helping the senior officers of the smaller banks start their own *de novo*, or new, banks. Halper helped open about seven of these new banks in the Chicago area.

"Generally, those new banks were successful," Halper says. "Working through the regulatory frameworks and the raising of capital was fascinating work. It was always interesting to me."

Halper gives plenty of credit for his legal career to his wife Kelley and the couple's three children. Halper and his wife have been married for 43 years. Both she and the children always understood, Halper says, when he had to spend long evenings or weekend days working with clients.

"When the kids were growing up, this was before we had access to the Internet and remote working. I'd bring home a briefcase full of papers. After dinner, when my kids were settled, I'd get to work," Halper says. "That family support was essential. If that had not been there, my career would have been very different."

Halper also has been fortunate to be surrounded by skilled lawyers at each firm where he has worked. Just as importantly, Halper has been blessed to have worked for about 25 years with the same assistant, Bonnie Teske. He says Teske has kept him organized and has helped him better serve his clients.

"There is no question in my mind that having an assistant who knows the clients and who can communicate with them is a critical element to my success," Halper says. "We can't succeed as lawyers as lone wolves. We need skilled people around us. We need good lawyers and competent and loyal assistants to make our careers successful. I've been blessed with both." ■