

# MARK HAUSER

## Real Estate, Deals and Noble Causes Among His Favorite Things

by Dustin J. Seibert

SOUTHFIELD—Quite a few of Mark R. Hauser's loved ones expected he might grow up to become a doctor.

The Detroit native was born to two optometrists and was the nephew of two well-known physicians, whom the rest of his family figured would motivate him to follow in their footsteps. His parents didn't push him toward any profession. Another family member inspired Hauser's career trajectory.

"My uncle, Victor J. Baum, was a Wayne County circuit judge. I enjoyed going to watch him in court," Hauser recalls. "I appreciated law and politics, so that's the direction I went in."

Hauser is a founder and managing director of Maddin Hauser Roth & Heller PC, a multi-specialty law firm that has served the Detroit metropolitan area for nearly half a century. Though his firm handles many types of cases and transactions, Hauser's caseload is exclusively real estate and business transactions—something he knew would be a significant part of his practice when he graduated from University of Michigan and enrolled in Wayne State University Law School.

"My grandfather owned a jewelry store, but he didn't enjoy that. He enjoyed doing real estate," Hauser says. "He bought and sold and taught me a lot about real estate when I was still in high school. Even when he had his own lawyers, he used to pretend like he was one."

When he graduated law school in 1967, Hauser joined Freidman Meyers & Keys, then considered one of the three major Jewish law firms in Detroit. He was there for one year, leaving at the end of 1968.

"In those days, it was very difficult for a Jewish guy to get a job at any of the large firms, though that certainly has changed," Hauser says. The day Hauser received his bar results, Friedman split in two and became what is now Barris Sott Denn & Driker. He worked under the tutelage of partner Donald E. Barris, whom he calls a "great litigator."

At Barris Sott, he worked on significant litigation cases, including one in which the firm represented Motown Records over the ownership rights of The Supremes' classic song "Baby Love." His experiences with the



firm motivated Hauser to get his own practice off the ground.

"I always wanted to be my own boss, and my mother encouraged that," Hauser says. "We didn't make much those days. I was making \$9,000 a year when I left, and my wife Jan said, 'Honey, do you think you can make a living with that?' I told her I could easily make \$20,000 doing my own thing."

Hauser says he was "lucky enough" to join a group of high-ranking lawyers who shared space together in a suite. One of them, Herman Kass, was a "very astute" real estate lawyer who taught Hauser a great deal about the practice of real estate law. At the time, Hauser was still doing quite a bit of litigation. His docket was almost divided down the middle between transactions and litigation until about 25 years ago. A tax case he argued in the 6th U.S. Circuit Court of Appeals was the last time he was in a courtroom.

Hauser was influenced by his most significant client at the time to put down litigation for good.

"I was working on a big case out of town and was gone for a week," he says. "My biggest business client said, 'I know that stuff is fun, and maybe you can make money on it, but you gotta decide whether you want to do that or be my lawyer.' That was when I made my decision: no more litigation, just stick to real estate and business deals."

### GOOD WITH NUMBERS

Hauser enjoyed his time as a litigator, but he doesn't miss it. "I enjoy a lot more working in the office and on deals, buying and selling real estate, and doing financing and refinancing," he says.

In 1972, Hauser formed Weiner & Hauser—the earliest iteration of the current Maddin Hauser—with Jerry Weiner, a good

friend from law school. Hauser has been at the forefront of various mergers throughout the years, principally in joining with Maddin & Maddin in 1982, but decades of balancing his practice with running a firm have been pretty easy for him.

"I was never good at math in high school, but from the time I started practicing, anytime someone had a question concerning numbers, they always came to me," he says. "I've never had a problem running every aspect of the firm, from the finances to the basic stuff."

One of the firm's longtime real estate clients, Armen Kalaydjian, president of Huntington Management and owner of Liberty Construction Corporation of Michigan, has been a real estate client with Maddin Hauser for nearly 20 years and has worked directly with Hauser for the last five years. Together, they have closed about \$150 million in transactions.

"He's a great real estate attorney who looks for the details that no one else does," Kalaydjian says. "A lot of other attorneys lack the ability to pay attention to those details, but he's one person I can always rely on."

The firm has undergone manifold changes throughout the years. It initially developed a reputation as a real estate and corporate boutique law firm that also handled business and real estate-related litigation for title companies, condemnation for the State Highway Commission and zoning-related matters.

In the early 1990s, tax attorneys Robert Kaplow, Charles Lax and Stuart Bordman joined the firm, allowing it to greatly expand its employee benefit plan, estate planning and health care practices. Hiring experienced litigators, as well as real estate and corporate practitioners, has also been essential to Maddin Hauser's success, Hauser says.

"Laterals have been important. However, internally, we have had attorneys who joined us as law school grads—some of whom had been summer associates—become recognized as go-to attorneys in their fields. One of them, Steven D. Sallen, is now the firm president."

In recent years, three important areas of the practice have expanded: the defense and insurance practice group, under the leadership of Harvey Heller; the employment law practice group, headed by Ron Sollish; and the financial services group, headed by Martin Frenkel and David Hart.

In 2018, several attorneys from the former insolvency and bankruptcy firm Erman Teicher Zucker & Freedman, P.C. joined Maddin Hauser as partners and enhanced the firm with their disciplines. The litigation team, headed by Michelle Harrell, has recently won a series of high-profile cases, including one involving the city of Pontiac's attempt to

tear down a parking garage serving a client's office building.

As a manager, Hauser's role has principally been handling finances and partner/employee compensation. He says the firm is "internally competitive" in that those who bring in the most business make the most money in year-end bonuses. The system of determining gross profit has worked well over the years, but he admits it's a constant point of discussion among staff.

"While these are time-consuming tasks, I am so accustomed to doing them that they are second nature," he says. "I am fiscally conservative and have avoided debt. We do not borrow to pay year-end bonuses."

### THREE MAJOR CHANGES

With a half-century of practicing law under his belt, Hauser has inevitably experienced profound changes to the practice of law. He cites three specific ones that have impacted his practice the most.

The first is the advent of word processing, which segued into personal computers and email.

"When I started practicing, we either dictated or hand-wrote our correspondence, pleadings and agreements for our secretaries to type," he says. "Everything had to be carefully proofed. There was no spell check or ability to compare versions of documents."

"On one hand, the advent of word processing made everything easier and more productive. On the other hand, it encouraged some attorneys to prepare much longer documents, ones that contained every possibly relevant clause from prior transactions."

From there, it was just a series of technological upgrades throughout the years: personal computers, servers, billing software and the like, which Hauser says "were worth their weight in gold."

"These tools, once learned, made both practice and practice management much easier and more efficient," he says.

Hauser recalls handling a transaction for a large national media company in the early days of email. The company's in-house counsel insisted on using email for almost all of their conversations.

"I was used to speaking over the phone, but I came to see how much easier and quicker it was to use email for most routine things," he says.

"That quickly moved to negotiating and closing transactions, using emails and closing escrows rather than sit-down closings for most M&A and real estate transactions. I've closed a large number of transactions with attorneys from around the country with whom I have only spoken and never met. All in all, the change in technology is the largest one to my way of thinking."

The second change is the advent of marketing, which Hauser says was frowned upon by most successful lawyers—and even considered illegal in some cases—when he started out.

"Now, we see advertisements from both the personal injury firms and major national and regional corporate firms," Hauser says. "Everyone seems to have a marketing department."

Hauser's practice hasn't used much formal marketing, he says, but has grown largely via word of mouth, especially on the transactional side.

"In the early days, other attorneys who happened to be in court that day would ask if they could refer matters to me," he says. "I was fortunate to have the opportunity to represent some very successful entrepreneurs and real estate developers who were happy with the service I provided, continued to use me as they grew and recommended me to others."

As for formal marketing, Maddin Hauser gets work directly and indirectly through its annual tax symposium, which is now in its 28th year. The firm hosts an annual employment symposium and an occasional real estate symposium. It also hosts smaller marketing efforts like the "breakfast bites" where they invite up to 40 clients and other interested parties to a morning meal and presentation on current issues.

"While the principal purpose of these was marketing to referral sources and potential clients, we only started more planful marketing about 10 years ago," Hauser says. "We also afford those in our firm who wish to do so with the opportunity to work with a personal marketing coach."

The third change is increasing turnover and the lesser likelihood that attorneys will spend an entire career at one firm.

"There is far less loyalty among partners than in the past," Hauser says. "Both 'rainmakers' and 'minders' are lured away by headhunters to hopefully greener pastures. There also seem to be fewer ambitious young attorneys. Some say this is a generational thing, but I'm not sure."

One constant, he says, is the essential nature of forming partnerships that build and retain business.

"Over the years, I have had the opportunity to participate with clients and friends in putting together numerous partnerships for acquisitions of real estate projects and a few operating businesses," he says. "I am fortunate that many of these partnerships have been very successful, some far exceeding their expectations."

"I was always very selective in choosing the developers/managers with whom we dealt in these ventures. I consider this to have been a significant achievement in my career."

## NONPROFIT LOVE

Hauser has always spent time away from his practice engaged in volunteer and nonprofit work, especially benefiting his Jewish community. He's a former president of United Jewish Foundation, the financial arm of the Detroit Jewish Federation, as well as a former national officer of United Jewish Communities (now Jewish Federations of North America).

Hauser was also a member of numerous non-profit boards and was the recipient in 2012 of the Jewish Federation's Fred M. Butzel Award, the highest honor in the Detroit Jewish Community.

"I think it's important to give back to the community, whether Jewish or non-Jewish. It's something everyone in my family always stressed," he says. "My wife Jan and I have worked together on these causes for many years."

Hauser was motivated to dedicate his life toward Jewish causes following a trip he took to Israel with his family in 1960.

"I was very moved by that trip. When I was a young lawyer at Friedman Meyers & Keys, that firm represented the Jewish Federation, and I got to see some of the inner workings of a nonprofit.

"One of our wealthiest clients found his way into my office one day after seeing my name and told me I was in a time and place where I could really make a difference for the Jewish people if I wanted to. It was a bit of an overstatement, but I took him up on the offer."

Hauser is proud that many of his firm partners, past and present, have been active in the Jewish community and in other community activities. Partner Michael Maddin also served as president of the United Jewish Foundation and received the Butzel Award.

"It's fair to say that none of us took on these volunteer activities because they were good for business," Hauser says. "Most of our involvement has gone far beyond that. I treat my role in charitable activities in the same way I treat my business, and I think the same can be said of my partners. A large part of our firm culture is the belief that we have an obligation to give back and to maintain our community."

Hauser still spends a good amount of his free time dedicated to noble causes, and at age 76, he hasn't applied any brakes to his caseload—nor does he have any plans to.

"My friend David Page (senior partner at Honigman LLP who passed away in 2014) used to say his retirement party would be his funeral, and hopefully I can say the same thing," Hauser relates.

"As long as I can keep practicing, I will. It's my favorite thing to do." ■