



ADVOCATING FOR CLIENTS' INTERESTS

INTERVIEW WITH **PAUL JEBELY,**
PILLSBURY WINTHROP, MANAGING PARTNER

Interview by Litalia Yoakum

The son of a Captain and a Flight Attendant, Paul Jebely is rated as the top business aviation lawyer in Asia by Chambers & Partners (and one of the top four worldwide). He is counsel to some of the world's wealthiest business aircraft owners and their financiers. With hundreds of transactions and even numerous repossessions under his belt, the 36 year-old Managing Partner at Pillsbury Winthrop is described by his peers as someone who "knows the industry on a global scale."



Tell me a bit about your background and how you ended up at Pillsbury Winthrop?

I grew up around aviation, but not around white collar work. I played competitive sports and wanted a professional athletic career, but somewhere around the time that I saw my name listed next to the number 318 in the professional (American) football draft I realized that I had definitely made the right decision going to law school. I also did some multi-engine flight training and could have easily gone that route like my father, but I instead parlayed my love of aviation into a career as an aviation lawyer.

In terms of the legal profession, I made my way up the ranks extremely quickly as I worked in Toronto, Kuwait, London and Hong Kong. I made equity partner at a major law firm in less than 6 years, and was global practice head by the following year. I did a part-time executive education program over two years at Stanford, which I credit/blame for implanting in me the desire to build something from the ground up. So, in May 2016 my team and I launched the Hong Kong office of a venerable 150 year old American law firm, Pillsbury Winthrop. Arguably, the mental state needed to make equity partner by the age 31 or to leave a very

comfortable situation at 35 to launch a new “start-up” enterprise are not palatable for most but, simply put: I love what I do. To me, this is a hobby first, a business second, and a job third.

What range of services can you personally provide for business aviation clients?

Business aviation is at the core of my legal practice, and I am privileged enough to get to do a wide range of work that I enjoy for major clients all over the globe on a constant basis.

Being among a rare breed of aviation lawyers that are both English and New York law-qualified, I typically serve as lead counsel on any variety of business aircraft purchase, sale, management, lease and finance transactions. If an aircraft-owner client wishes, this can include what I call “tip to tail legal service” that also covers advice on optimal ownership structures, choice of aircraft registry, warranty/maintenance contracts, aircraft charter and other shared use arrangements, pilot contracts, review of insurance policies and so on. I also handle restructuring, commercial disputes and enforcement scenarios when the need arises – as it increasingly has over the past few years.

When representing a client on the purchase, sale or finance of an aircraft, what is your main goal?

I like to say that the best lawyers are the ones who live in the blank white spaces in between the lines and at the edges of contracts. In that light, my main goal on such transactions is good old-fashioned advocacy.

“Advocacy” does not mean playing a zero-sum game – indeed effective negotiation is often not just about what you take from the table, but also what you leave on it. It all should come packaged in as diplomatic and

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courteous a wrapper as the situation demands in order to attain the desired outcomes while preserving goodwill between the commercial parties. It also includes ensuring that the client is afforded actual legal advice and has the full situational awareness of the transaction terms necessary to sign on the proverbial dotted line.

A very close but firm second to advocacy is ensuring execution – with the highest transaction velocity the situation permits in order to get the deal closed on favorable terms. I am aware that some may prefer if lawyers take the reverse view of priorities, taking a purely mechanical execution role. I generally respond by saying something like “no domo arigatio, Mr. Roboto!”

What is the biggest hurdle that you face in your own business?

To quote Oscar Wilde: “Nowadays people know the price of everything, and the value of nothing.” The value that a strong and seasoned business aviation lawyer can add on behalf of his or her client should not be understated, though it increasingly is. There can be a dismissiveness and/or fear of the involvement of such lawyers on transactions by counterparties or intermediaries, sometimes diffuse, sometimes virulent, usually misguided. It is, therefore, often necessary to spend time ingratiating with, and calming the nerves of various types of characters in order to be more effective in advocacy and execution on behalf of clients.

What is the best advice you can offer business jet purchasers publically?

My best advice for any purchaser is: “Please Be Advised.” Just as it is often better to wait for the common sense of the morning to prevail before doing something drastic, it is often better to seek professional advice before signing something drastic. In that light, do not sign Letters of Intent on the assumption that they do not constitute legally binding obligations, because very often they do. I have seen, from both sides of the table, many situations where an owner has not sought professional advice (be it from an experienced broker or lawyer) before legally committing him or herself to the purchase of a new or used aircraft in this manner. In my experience, those scenarios can result in a calamitous failure to ensure a “meeting of the minds”, which then results in a cascade of misinformation, misunderstanding and the occasional misdemeanor.

What is the current forecast for this industry in Asia Pacific?

Cloudy, with a chance of charlatans.

What are some of the challenges facing the industry in the Asia-Pacific region?

The Asia-Pacific region today is an intoxicating place and time for this industry. The party can and does end quickly, however. The main challenge we face is the enormous amount of systemic uncertainty that can swiftly and severely impact the industry. Compare, for example, new sales activity in China today versus even three years ago. No one could have forecasted the degree to which such activity has slowed.





While such macro-level economic trends are outside of the control of even the most powerful in the industry, the key micro-level challenge as I see it remains the lack of seasoned human capital. This itself is nothing new, but what is new and particularly challenging is that the gap between what some market participants actually know and what they say (and maybe even think) they know is growing alarmingly wide. What is more, business aviation in the Asia-Pacific region is not, for example, basketball, where the game is played by the same basic rules by those who play the game. Still, it does not serve anyone's interest to dwell on or be overly public about such complexities

In 2015 you received a lifetime achievement award for "Outstanding Contribution to African Aviation Development". Where do you see business aviation in

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Africa going?

In 2010 I was quoted by the Financial Times as saying "I'm certainly quite bullish about African business aviation." While I do not think any will ever accuse me of suffering from a lack of confidence generally, I was perhaps a bit too early in my confidence in this respect. That said, it is one of those quotes that I can point to even in 10 years if/when the market finally does truly take off and say "I totally called that!" I have done a not-insignificant number of African transactions in the interim, but the signs of market distress are clearly evident to me at this juncture, in

large part due to the fall in commodities prices that has had a significant impact on African wealth. Compounding this are infrastructure issues that continue to plague African business aviation and African aviation more generally. Still, the African continent has plenty of (mostly paved) runway ahead of it.

What are some of the successes the firm has seen since you opened in Hong Kong, and what are your expectations for the firm in the next few years?

I take extreme ownership of everything in this respect. Our Hong Kong office, in the SoHo district, has been open for less than a year, and the tiring but fulfilling work of systematically building a profitable law office is already well-advanced. We have, for example, already assisted on over \$1 billion worth of business and commercial aviation transactions for existing and many new clients, including some of the most well-known corporations and individuals in Asia and elsewhere.

Our office's other key practice areas are private wealth and white collar crime, and we are growing both areas alongside our team of five aviation lawyers. We have great support from our peers across Pillsbury's two offices in Mainland China, our office in Tokyo, and our 17 other offices cross the US, UK and UAE. There can be no leadership where there is no team, and I am blessed that today I can surround myself with a squadron that is both first class and first in its class.

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