

→ Self-Storage

Sheppard Mullin's Self-Storage Industry Team represents companies that own, operate and/or manage self-storage facilities in the U.S. and internationally. Fifty thousand self-storage facilities now dot the American landscape. In fact, the industry boasts more domestic locations than McDonald's, Subway and Jack in the Box combined, and has been the fastest growing segment of the commercial real estate industry over the last 40 years.

As the industry grows, so do the potential legal issues and risks. To ensure your company stays ahead of the curve, you need a law firm that understands your business, can deal with the potential legal obstacles and issues that arise in the industry without reinventing the wheel, and can assist you in expanding into new markets and developing new business strategies that can capitalize on this expanding market. Our team can assist your company in virtually every area that affects the self-storage industry.

Litigation and Dispute Resolution

Litigation has been at the core of the firm's practice since 1927, and we have more than 200 litigators with significant experience in dispute resolution in all forums. In addition to providing assistance to self-storage companies when they face disputes in their business relationships, we are also well versed in defending against consumer class actions and individual actions brought by disgruntled tenants that have become increasingly more frequent. We are on the cutting edge of these actions, in cases involving fees, access, lien sales, unit size, unfair competition, insurance disclosures, and contractual provisions.

We also have extensive experiences drafting and analyzing your storage leases and lien sale documentation to not only ensure smooth operations of your business, but also to minimize your exposure should litigation ensue.

Labor and Employment

We can defend and advise your business on wage and hour, discrimination and harassment, and wrongful termination claims, with special expertise in wage and hour class actions. We can also advise and defend your business on access claims (the Americans with Disabilities Act, California's Unruh Civil Rights Act), and provide training and conduct audits for your company to ensure compliance with applicable laws.

Advertising

Self-storage companies are utilizing new and sophisticated advertising and promotion methods to increase market share and brand awareness but operators need to be careful to ensure that their marketing statements can be supported. We specialize in these issues from both counseling and litigation perspectives.

Formation and Organization

Our attorneys have a long history of working with new businesses and their investors and managers to guide them through all stages of the organization and formation process. The starting point for any proposed business involves the choice of the legal entity or structure from which to operate the enterprise. We work with clients to understand the unique aspects of the self-service business and help them choose the entity that best suits their short- and long-term goals and tax considerations. We also assist clients to think through the various benefits of debt vs. equity investment and help them to determine the rights and obligations that will govern the investors going forward in order to form a sound foundation to grow the business into the future.

General Corporation and Business Law

After formation, we continue to serve as trusted advisors with respect to our client's day-to-day operations. With our broad exposure to a variety of business transactions, we can leverage our institutional knowledge to assist clients in the negotiation, documentation and implementation of contracts for almost any business arrangement, including supply agreements, equipment lease agreements, license agreements, distribution agreement, benefit plans and consulting and employment agreements. We also provide general business and corporate governance advice as well as assist with inevitable business disputes that crop up to diffuse them before they become lawsuits. Our focus is always on providing practical, real world legal advice to help our clients achieve their goals.

Mergers and Acquisitions and Joint Ventures

Sheppard Mullin represents domestic and international buyers and sellers in the self-storage industry with respect to their mergers and acquisitions and joint venture projects.

With respect to mergers and acquisitions, we advise clients ranging from individuals and small privately held businesses to private equity firms and multinational corporations on all types of transactions, including mergers, purchases and sales of stock and assets, management buyouts, recapitalizations and other corporate restructurings. From negotiating and documenting the letter of intent through closing, we play an active role in pre-acquisition planning, including estate planning for our individually or family owned clients, tax planning and working with management and other company advisors to help better position a client for a sale. Our attorneys also assist in developing a due diligence strategy which focuses on the key value drivers for the business, as well as clearly defines the due diligence functions performed by all of the deal participants. We focus on getting deals done quickly and cost effectively.

With respect to joint ventures, we use our in-depth expertise to help clients use the JV strategy to achieve their resource and product acquisition, distribution, development, infrastructure development, market penetration and risk sharing goals. Structuring and negotiating these very complicated transactions requires, in addition to legal guidance and counseling, substantial business acumen and experience; all of which we have garnered through the depth of our experience in these transactions in the self-storage industry. Our expertise ranges from start to finish including the formation, operation, dispute resolution and potential liquidation of the enterprise. Our proven track record in advising clients to select the right joint ownership structure and negotiate all related agreements has allowed us to close these transactions efficiently and economically.

Finance and Secured Transactions

Our experienced commercial lawyers represent business clients as borrowers or issuers of debt in a variety of business transactions. We represent the interests of business borrowers in financial transactions including; acquisition financing, working capital loans, syndicated bank loans, public or private note/bond issues, leveraged recap transactions, asset based financing for working capital and acquisitions, and letter of credit transactions. We also handle all aspects of the private placement, equity funds, institutional investors and venture capital firms; and we have been on the vanguard of every type of private financing transaction, including seed financing angel investments, venture capital financing, later stage equity or mezzanine financing, PIPES and private debt financing.

Eminent Domain and Condemnation

Zoning issues and eminent domain is often an issue for expanding facilities around the country. And many self-storage companies are faced with issues pertaining to eminent domain, the power of a governmental agency to forcibly acquire your property. However, the property must be acquired for "public use" and the governmental agency must pay "just compensation." We are uniquely equipped to deal with the most complex eminent domain matters.

Privacy and Data Security

We help businesses unlock the value of data, while ensuring compliance with U.S. and non-U.S. laws and standards that regulate the collection, use, sharing and protection of data.

We provide compliance counseling and transactional support on customer and employee privacy and data security, responding to data security breaches, online behavioral-targeted advertising and mobile/SMS marketing compliance.

Real Estate Development and Leasing of Facilities

We represent all types of clients in virtually every aspect of real property ownership and development and have vast experience in commercial leasing transactions. We advise clients from a project's inception to its conclusion. We negotiate with governmental agencies concerning entitlements, development rights, permitting and variances and work with you on all aspects of the bidding process and the awarding of projects. We draft the full spectrum of construction-related contracts, including prime construction (design/bid/build and design/build), architect/engineer, and construction management contracts, as well as related subcontract agreements. Whether the contract is a standard form AIA, AGC or EJDC agreement or is specially drafted, we negotiate and draft provisions most favorable for you.

We can also represent you in a commercial lease transaction or ground lease for storage facilities. We also can assist you with transactions that are typically ancillary to leases such as the negotiation and preparation of agreements with property managers, service providers and suppliers, as well as easements and shared parking and maintenance agreements. We also can assist with lease disputes, workouts and buyouts, including resolution of issues involving the exercise of options, assignment and subletting, tenant improvements and defaults.

Tax

Just as you expect to pay taxes, you should expect your law firm to provide sophisticated tax counsel. We advise clients on all manner of federal, state, and local taxes; from federal and state income taxes, to local business license taxes and California's complex property tax rules governing "change in ownership," as well as provide clients with sophisticated expertise in employee benefits law, executive compensation, estate and wealth planning and tax-exempt or tax-advantaged finance. In California, we are also in-tune with Sacramento policy makers and their recurring interests in expanding sales and use taxes to self-storage services.

Insurance

Our insurance lawyers have an unparalleled track record of achieving outstanding results for our insurance company clients in their most challenging matters – from class actions to high exposure bad faith cases to complex coverage matters. With our knowledge and experience in the area of insurance, we can help you navigate the intersection of law between self-service storage facilities and insurance.