

Close-up: William Hoffman

Trigild thrives in economic downturn

By THOR KAMBAN BIBERMAN
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DEL MAR HEIGHTS — These may be the most troubled economic times in generations, but for Bill Hoffman, president and CEO of Del Mar Heights-based Trigild, Inc., these are the best of days.

Trigild manages mostly troubled assets, ranging from hotels and resorts to residential properties, restaurants, gas stations, shopping centers, golf courses and assisted care facilities. Broken condominium deals are also part of the mix.

Hoffman, who said perfectly healthy hotels are also part of Trigild's management portfolio, said the rest of the business is totally dedicated to real estate assets in default.

Trigild's business is busier than ever, which may not be good news for many of the rest of us. Hoffman said while he had the sense a downturn was coming, he was surprised it was so dramatic.

"And this isn't like the RTC (Resolution Trust

Corp.) ... this is a much bigger problem," Hoffman said.

While residential has gotten most of the attention during the economic crisis, Hoffman warns commercial loans were also often financed with way too much optimism on the part of lenders.

"The way many of these loans were made was full of holes," Hoffman said adding that the best loans for everybody concerned are when a large amount of equity is put into the deal.

When a lender or another client obtains a property and retains Trigild for its disposition, Hoffman said his commitment is to sell the asset as quickly as possible.

"Our goal is to sell these properties as fast as we can because in this economy the values drop by the day," Hoffman said.

The firm has run more than 1,000 operating businesses since it was founded in 1976.

The company has handled more than 250 receiver appointments comprising more than 1,500 assets.

"Our focus is to protect the

business, as well as the real estate asset. While the issues are complex, our strategy is simple: We quickly assess problems and then implement solutions that work," according to the company's promotional materials.

Trigild's many clients encompass a wide range of industries: from investor groups, to franchisers, to law firms, to financial institutions.

Trigild's institutional client list has included Wells Fargo Bank, Midland Loan Services, Comerica Bank, Fifth Third Bank, IndyMac Bank, Fortress Investment Group, Bank of New York Mellon, CIT, J.E. Robert Cos., Beal Bank, Silverpoint Capital and Morgan Stanley, among others.

In July, a bankruptcy trustee in Ft. Worth, Texas, appointed Trigild to secure and close 37 Bennigan's and Steak & Ale restaurants in 13 states, including Texas, New Mexico, Georgia, Indiana, Florida, Michigan, Colorado and Pennsylvania.

Subsidiaries of **Metromedia Restaurant Group**, both restaurant chains were known for "casual dining," and were losing ground due to the souring economy.

Hoffman noted that while the company owned restaurants that filed for Chapter 7 bankruptcy protection earlier this year, enabling them to liquidate those assets, not all stores using the Bennigan's or Steak & Ale trade names filed. Franchisee-owned restaurants, such as one in Mission Valley, are still open for business. In addition, Trigild is overseeing the disposition of dozens of fast food restaurants around the country.

Trigild handles large troubled residential assets as well, including large tracts

of land and the oversight of thousands of condominium units, about 1,000 of which are in Florida alone.

"There are about 20,000 unsold condominium units in Florida. It's a huge problem in that state," Hoffman said.

In the Central Valley, Trigild is handling a property where 30 of a planned 250 homes have been built, and only two have sold.

Hoffman said he is trying to convince the lender to restructure the loan so everyone doesn't end up losing.

The firm is also managing a Colorado ski resort property where Hoffman hopes to restructure a \$150 million loan.

In managing the resort property, Hoffman says he is taking part in a great professional love. Hoffman was one of the original partners of the 100-room Del Mar Inn in the early 1970s.

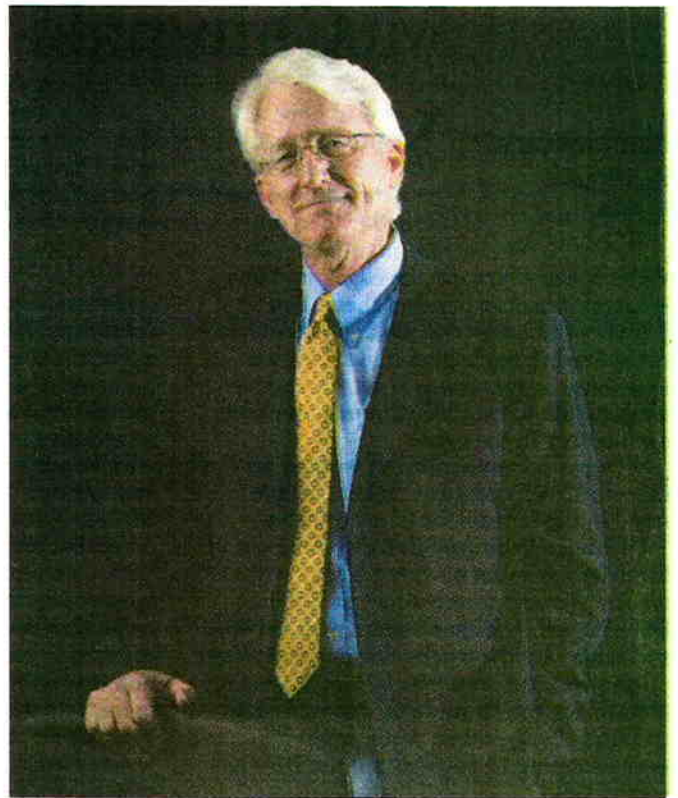
"Hotels have always interested me and handling distressed properties is very interesting work," Hoffman said.

While Trigild only has about 50 full-time permanent employees, it has as many as 1,500 workers at the properties it manages at any given time.

"Those Bennigan's restaurant workers became our employees," Hoffman said.

Hoffman declined to reveal company revenues, but said he expects this year's volume will be about 15 percent more than last year, and that he expects to double this business in 2009 before an expected drop-off by 2010.

In conjunction with all the turmoil, Trigild will be hosting its eighth annual lender conference titled "Handling Curves in the Lender Ballpark," Oct. 22-24, at the



William Hoffman

Photo: J. Kat Woronowicz

downtown San Diego Omni Hotel.

The event will feature specialists in loan servicing, law, real estate and distressed debt, who will address the latest information on dealing with non-performing commercial loans.

Sam Chandan, senior vice president for research for **Reis Inc.** (Nasdaq: REIS) is a keynote speaker at the conference.

"As growth in the real economy slows to an anemic pace, demand for commercial real estate has inevitably dropped off. The potential for an imbalance in the demand for and supply of credit could emerge as the leading impediment to commercial real estate market stabilization," Chandan said recently.

Another conference speaker, Bill Conerly, principal of **Conerly Consulting LLC** and chief economist of **abcinvesting.com**, has put the matter in much starker terms.

"What we have seen so far could be just the tip of a very ugly iceberg," said Conerly. "The critical issue is that some currently-healthy companies are being shut off from credit, which is accelerating the downward economic spiral and bringing more loans into default."

Other speakers at the conference are scheduled to include **CW Capital's** David Jannarone, **Wrightwood Capital's** Henry Bieber and **Midland Loan Servicing's** Stacy Berger.

Hoffman said the insights from these speakers will be invaluable, given the current climate.

"This situation is the worst I've seen in my three decades in this business," Hoffman said. "Only the well-informed can survive in such a volatile economy, and this conference will help provide some invaluable information, critical tactics and important networking opportunities."

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