



## ASSET INFORMATION

Court	U.S. District Court Central District of California
Case No.	CV 14-07249-SJO
Strategy	Liquidate, recover funds, assist in criminal investigation

## BACKGROUND

In the wake of a more than \$400 million Ponzi Scheme, Trigild CEO William Hoffman was appointed receiver for Nationwide Automated Systems Inc. (NASI), a Calabasas, Calif.-based ATM sale leaseback company.

The Securities and Exchange Commission (SEC) alleges NASI, its president and vice president/treasurer and related entities falsely promised investors 20 percent annual returns for purchasing ATM machines and leasing them back to Nationwide.

As receiver, Hoffman took charge of all company records, operations and accounts. According to the SEC complaint, since 2013 alone, NASI has raised at least \$123 million in investor funds through ATM sales and leasebacks.

## APPROACH

- As receiver, Bill Hoffman and his Trigild fiduciary team took charge of NASI as well as its subsidiaries and affiliates.
- Focus on recovering as much value for creditors and investors as possible
- Search for and seize bank accounts, investor contracts, ATMs, business and financial records
- Manage investor communication
- Find affiliated companies and assets

## SOLUTIONS

- Maximize the recovery of funds
- Disburse as much money as possible to victims of the scheme



## CASE INFORMATION

Court	U.S. Bankruptcy Court-Central District of California-Los Angeles Division
Case No.	2:11-nk-15987-PC
Strategy	Restructure and Liquidate
TIC Properties Sold to Date	21
Loan Recovery and Vacant Land Proceeds	\$9M
Distribution to Creditors	\$20.7M

## BACKGROUND

Bill Hoffman, Trigild CEO, was appointed Liquidating Trustee after serving as Chief Restructuring Officer over the bankruptcy estate of Secured California Investments, Inc. and SCI Real Estate Investments, LLC, two companies that had implemented a complex TIC investment structure through which \$1.6 billion of real estate had been purchased. SCI's assets consisted of equity in various TIC structures, receivables on a loan, ownership interest in vacant land and deferred acquisition fees that would be earned when the property was sold or refinanced.

## CHALLENGES

- The Trust owned a minority interest in most properties and all sales required unanimous consent from the Tenant in Common ownership group, sometimes up to 30 separate Tenants in Common.

## APPROACH

- Establish the dual purpose of liquidating assets for maximum value and resolving claims against the estate for the benefit of all creditors
- Oversee the day-to-day operations of the debtor entities.
- Draft the Plan of Liquidation and accompanying legal documents
- Secure exit financing on behalf of the estate in order to tide the debtors over until Plan confirmation.
- Analyze and resolve claims against the Liquidating Trust
- Identify and value Trust Assets
- Create and implement a strategy for the sale of the assets in order to maximize the dollars available to pay creditors

## PERFORMANCE SUMMARY

- While the engagement as Liquidating Trustee is ongoing, Mr. Hoffman and Trigild have been successful in resolving all claims against the Trust, including the successful prosecution of fraudulent transfer litigation in bankruptcy court which resulted in a more than \$15 million benefit to the remaining beneficiaries of the Trust
- Liquidated those assets for which the trustee had control: the note and vacant property
- Created a strong market for the remaining assets to be sold either individually or as part of a larger portfolio sale which allows the Liquidating Trustee to choose the sales option that makes the most sense economically and provides the biggest benefit to the Trust beneficiaries
- To date, Trigild has approved and participated in the sale of 21 properties within the portfolio and distributed \$20.7 million to creditors. Trustee expects to continue to recover additional assets for the Trust on the remaining 21 properties.



## ASSET INFORMATION

Market	North Carolina
Court	State Court of North Carolina and U.S. Bankruptcy Court, Eastern District of NC
Case No.	13-CVS 0119 & 14-05495
Product	9 canned products, 14 perishable products
Strategy	Stabilize and liquidate

## BACKGROUND

Trigild was appointed receiver over a food manufacturing facility located in North Carolina. The company's operations include the production and canning of regional products and the production of several perishable items. Successfully improving onsite management and daily operations, Trigild also oversaw the bankruptcy resolution and liquidation process, maximizing value for the investors.

## CHALLENGES

- The company suffered from lackluster management that was ineffective at identifying operational deficiencies, resulting in negative net operating income and cash flow shortages.
- The company lost several distribution channels/customers and was having difficulty filling orders.
- Five months into the assignment the borrower filed for Chapter 11 bankruptcy and requested turnover of the business.

## SOLUTIONS

- Completed a cash flow analysis and worked with the procurement and accounts payable to stay within budget and find more cost-efficient ways to order raw materials
- Completed COGS analysis to ensure products were appropriately priced
- Increased prices on under-market products
- Engaged new suppliers for raw materials
- Analyzed production, then worked with the factory manager to increase daily production at minimal costs, which lead to improved order fulfillment
- Implemented weekly sales calls and forecasting tools that allowed the sales and production teams to be proactive versus reactive to customer orders. This also improved communication between the departments so that the sales team could provide better service to customers
- Cleaned up the financials in order to produce accurate reporting
- After the bankruptcy filing, negotiated with critical vendors to keep payment terms; negotiated with the PACA claimant to receive a payment plan

## PERFORMANCE SUMMARY

- Trigild increased EBITDA by 150k on a year-to-year comparison, including fees related to the receivership, increased sales by 12% and regained lost distribution channels.
- Trigild was able to show the bankruptcy court that turnover would be detrimental to the business and remained in place for the duration of the bankruptcy.
- Trigild was able to improve property level operations while maintaining liquor and food licenses.



## ASSET INFORMATION

Project	IHOP Portfolio
Submarket	Central and Southern California
Product	5 hotels
Strategy	Improve operations and sell the hotels for the best price possible so all trust members benefit
Human Resources	+250 employees

## BACKGROUND

In late 2013, Trigild was appointed receiver in connection with a long-running legal dispute between certain members of the trust and allegations of misconduct by the owners of the Best Western Valencia, Holiday Inn Express Valencia, Courtyard by Marriott in San Luis Obispo, Courtyard by Marriott and Marriott Towneplace Suites in Thousand Oaks – all held in a family trust. Trigild was subsequently directed by the court to take over property management and the operations of the properties, and to sell the five hotels.

## APPROACH

Trigild analyzed each asset from a valuation and leasability standpoint, then undertook the following:

- The properties were past due with their respective franchises on their Product Improvement Plans and were under pressure to complete the work or risk losing their brands.
- Trust members were essentially divided into two groups, those opposed to the receivership and those supporting it. This resulted in significantly more demands on the receiver.

## PERFORMANCE SUMMARY

- Under Trigild’s management, the hotel properties saw significant financial improvements.
- Trigild was able to negotiate with the different franchises to maintain their brands without any substantial upgrades.
- By the Receiver successfully presenting to the Court that it was in the best interests to the trust estate, the judge allowed the sale of the five hotels in October 2014 under the strong objection and litigation of some trust members.
- The hotels sold for a substantial profit to the benefit of the trust.



## ASSET INFORMATION

<b>Submarket</b>	New Mexico
<b>Court</b>	State of New Mexico, County of Bernalillo, Second Judicial Dist. Court
<b>Case No.</b>	CV 201006506
<b>Product</b>	35 Gas & Convenience Store
<b>Strategy</b>	Reopen a number of stores, stabilize
<b>Resale Value Captured</b>	\$15,000,000

## SYNOPSIS

Trigild took over a vertically-integrated portfolio -- once owned by PRP Inc. and operated by Ever-Ready Oil Inc. -- in New Mexico. A different lender had collateral interest in the inventories and had been working with the operator to liquidate their interest, while simultaneously closing locations. Trigild's role was to reopen the stores, open new vendor accounts, hire new staff, liquidate wholesale and bulk inventories, sell a fleet of company vehicles, vacate and relocate two corporate offices, as well as sell the portfolio.

## CHALLENGES

- Sites had recently been deflagged, so Trigild had to continue unbranding the sites and reestablish new identities, while rebuilding the customer base
- Trigild needed to rebuild vendor relationships, restock stores, negotiate/buyout equipment leases
- There were deferred maintenance issues at most sites, as well as unresolved environmental violations and unpaid taxes

## SOLUTIONS

- Worked with former brand to ensure all sites met de-identification criteria
- Hired and maintained employees, made personnel changes as needed
- Opened new accounts with vendors with new credit terms
- Bought out long term equipment leases
- Created a maintenance plan and schedule to resolve all site issues.
- Negotiated taxes with the state.

## RESULTS

- Improved profitability and fiscal control
- Maximized cash flow to client
- Liquidated wholesale and bulk inventories and used proceeds to pay all back taxes to free up sale of properties
- Reopened locations
- Resolved all maintenance and environmental issues.
- Ultimately sold portfolio for \$15 million

**ASSET INFORMATION**

Market	Illinois
Court	U.S. Bankruptcy Court, Northern District of IL
Case No.	09-44643
Product	8 restaurants
Strategy	Stabilize and liquidate

**BACKGROUND**

Trigild was appointed chief restructuring officer over eight different Boston Blackies restaurants located across Illinois. Successfully improving on site management and daily operations, Trigild also oversaw the bankruptcy resolution and liquidation process, maximizing value for the investors.

**CHALLENGES**

- Properties suffered from lackluster management that was ineffective at identifying operational deficiencies, resulting in negative net operating incomes across the portfolio
- Bankruptcy moved from a chapter 11 to a chapter 7; Trigild had to respond with adjustments in strategy to remain proactive in maintaining collateral value

**SOLUTIONS**

- Worked with trustee to create and submit monthly operating reports
- During the chapter 11 period, a 363 sale was contemplated as part of the reorganization strategy; however the shift to chapter 7 required a liquidation of all restaurant properties.
- Trigild secured stalking horse bidder for the properties
- Directing court-approved brokers to market the properties and ultimately ensuring maximum value was achieved for the eight different locations.

**RESULTS**

- Trigild achieved above-market value for the poorly cash-flowing properties
- Seamlessly transitioned from chapter 11 to 7, implemented associated readjustments in the liquidation process
- Trigild was able to improve property level operations while maintaining liquor and food licenses



## ASSET INFORMATION

Property Type	Big Box Retail
Location	California, Nevada, Arizona, Texas
SF	2 Million
# of Units	Portfolio of 25 Assets
Occupancy Increase	From 12% to 89%
Value Created	Annual income increased by more than \$5.5 Million

## BACKGROUND

When Trigild assumed management of the Mervyns portfolio, it was experiencing a number of challenges:

- Significant vacancy – 88%
- Unfavorable lease terms on the occupied space
- Mismanagement from the asset and property level
- Challenging retail leasing market

## APPROACH

Trigild analyzed each asset from a valuation and leasability standpoint, then undertook the following:

- Stabilized the portfolio utilizing an aggressive lease up campaign on vacant space
- Finalized the leasing negotiations that were in process, quickly closing six deals with national retailers
- Managed the design and construction management of over 550,000 Sqft, ensuring on-time delivery of T.I. to new tenants
- Aggressively rebid services and contracts to reduce or contain costs
- Actively managed the property tax reassessment and appeal process

## PERFORMANCE SUMMARY

- Within the first 120 days, we oversaw new lease value in excess of \$3.5 million dollars
- Increased occupancy from 12% to 89%
- Negotiated more than 1 Million Sqft, amounting to \$75 Million in new leases, including high profile tenants Kohls, Forever 21, Hobby Lobby, Homegoods and Petsmart
- 19 new tenants commenced operations under Trigild management
- Increased annual income by more then \$5.5 million
- Successfully appealed inflated property tax assessment, resulting in refunds of more than \$1 million dollars, eliminating the need for additional capital investment by the ownership



## ASSET INFORMATION

Property Type	Class B office building
Location	Rancho Cucamonga, California
SF	392,702 sf
# of Units	Multi-Tenant
Value Created	Created more than \$40 million dollars of value recognized in successful Receivership Sale

## BACKGROUND

When Trigild replaced an existing Receiver in April 2012, Atrium at Empire Lakes was an asset in trouble. Just 42% occupied with high operating costs and an active lawsuit from a neighboring property, Atrium needed expert asset management to create value for needed to go to sale through receivership.

## APPROACH

Trigild implemented a multi-faceted strategy to maximize return to the client via a receivership sale:

- Hands-on asset management focused on creating value through aggressive leasing activity
- Targeted property management to improve efficiency and reduce expenses, to improve NOI
- Expert legal and real estate knowledge to resolve active litigation with neighboring property
- Aggressive marketing and transaction management of for Receivership Sale

## PERFORMANCE SUMMARY

- Within 120 days Trigild secured a signed LOI with major regional tenant for 232,176 sf (15 year term/market rate deal); Trigild led lease negotiation and had signed lease within 3 weeks, including court and tenant board approval.
- Renewed/expanded existing tenants for an additional 85,707 sf
- Managed over \$10 million dollars of Tenant Improvements; on time and on budget.
- Reduced expenses and improved operations to positively affect NOI and building value.
- Negotiated settlement agreement to avoid costly relocation of utilities and resolve litigation with neighboring property owner.
- Following a nationwide marketing program, Trigild negotiated a purchase price 13 % over broker generated offers, resulting in a \$6 million increase to the bottom line. Closed \$50k million transaction on time with no re-trades.



## ASSET INFORMATION

<b>Submarket</b>	AZ, CA, CO, FL
<b>Units</b>	6,000
<b>Product</b>	13 apartment complexes
<b>Strategy</b>	Stabilize abandoned assets
<b>Lien Reduction</b>	\$1.4m, equal to 80%
<b>Occupancy Increase over 1 year</b>	66%-92% or 26% increase
<b>Net Increase in Leases</b>	747
<b>Turnover Ratio</b>	50% turnover is less than half of market average

## BACKGROUND

A large special servicer engaged Trigild to stabilize a 6,000-unit portfolio. The cash strapped California-based borrower abandoned management of \$500M worth of real estate, leaving the lender in a precarious situation in which collateral value was spiraling downward.

## BUSINESS PLAN SUMMARY

- Property level management abruptly stopped.
- Long term asset management needed to be a focus in order to preserve the portfolio's value in case of a liquidation.
- Trigild's focus was to meet the immediate needs of current residents and employees while also thinking strategically about how the positioning and location of these assets could be used to fetch maximum value in the marketplace during a sale.

## RESULTS

- Trigild faced a number of legal, operational, personnel, resident and media challenges following its appointment as receiver.
- Assumed fiduciary responsibility and began work with vendors to achieve immediate resolution of the most pressing issues within hours of receiving court approval.
- Stabilized assets and began a liquidation processes that followed a precedent-setting court decision in Arizona regarding sale through receivership.



## ASSET INFORMATION

Court	Superior Court of California, County of Santa Clara
Case No.	RG 09-477840
Strategy	Improve bottom line operations, increase efficiencies

## BACKGROUND

Trigild was appointed receiver and manager for a 196 room full service hotel with 6,000 square feet of meeting space, a Japanese restaurant, and bar near the San Jose Airport. Technology capital improvements needed. There were also vast shortages of linens, guest supplies and kitchen inventories at the property. Radisson Quality Inspection was conducted with an overall score of 80%, barely passing, while only scoring 73% for meeting brand standards. Subsequently, the franchise demanding a PIP of \$3 million in improvements. Lastly, no prior financial reports or budget left on property.

## SOLUTIONS

- Completed mandatory health department kitchen upgrades
- Established weekly department meetings, standardized the housekeeping department ordering procedures and staffing.
- Quarterly safety meetings established, completed the California Health Code pool drain code requirements.
- Brought linen inventory up to par for sustainability improvement

## RESULTS

- Ranked in the top 10 in SPI (Service Performance Index) for western region Radisson Hotels
- Increased RevPAR market share from 79% in 2010 to 132% in 2011, leading the market in year over year STR index growth
- Achieved a 36% GOP for the month of March and which is on track for continued improvement.
- Increased RevPar in 2011 by 24% over 2010 figures, current YTD RevPar Increase for 2012: 20.9%
- Upgraded 10 guest rooms to Radisson standards for Business Class
- High speed guest internet improved from 6 megabit bandwidth to 10 megabit bandwidth



## ASSET INFORMATION

Property Type	Office Building
Location	Phoenix, AZ
SF	482,108

## BACKGROUND

Trigild was appointed receiver of a 24 story office tower with a total of 482,108 rentable square feet, sitting on 4/1 acres. When Trigild assumed management of Viad Corporate Center, it was experiencing a number of challenges:

- Property was in the middle of seven major lease negotiations
- Operating costs were considerably higher than necessary
- High Vacancy rate

## APPROACH

- Trigild completed renewal negotiations of three tenants, including the Associated Press, a 150,000 square foot public company, a 7,000 square foot law firm, and a TI build out with draws for a 30,000 square foot "Big Four" public accounting firm.
- Working with building operations and maintenance personnel, Trigild was able to reduce operating costs.
- Interviewed and selected an investment sales broker to market the property
- Renegotiated vendor and service provider contracts to help control costs while keeping amenities in the building operable and up to standards.
- Created a marketing plan to boost the building's presence in the market.

## RESULTS

- Tenant prospect list grew from five to twenty prospects within three months of the receivership. Nine RFP's were received from prospective tenants.
- Marketed the property to prospective buyers within an expedited time frame (six weeks), resulting in a buyer with an offer equivalent to the face value of the note with a loan assumption.