

February 3, 2009

## CHANGING COURSE



For eight years, **Brownstone Capital in Bethesda** specialized in opportunistic and value-add acquisition services. That was then; recently the company morphed into a distressed debt restructuring group. Principal **Shawn Krantz** says Brownstone began prepping for change when the CMBS markets went south in **2007**. This time last year, **their plan was to purchase discounted debt**, raising funds on a deal-by-deal basis.



They decided not to because the bid to ask spread was too high, says **Stephen Carboni**, another principal. The gap has widened even more since then, so they're glad they didn't go that route. Their debt restructuring group already has **\$100M in assignments**, mainly loans from distressed borrowers, but they are also representing one lender, Stephen says.