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\$100M in Assignments Launches Distressed Debt Group

By *Erika Morphy*



Krantz



Carboni

BETHESDA, MD -- **Brownstone Capital, LLC**, a commercial real estate investment and advisory firm, is refocusing its opportunistic and value-add development bona fides into a new offering--a distressed debt restructuring group. The locally-based company, which began hiring for the group a few months ago, is transiting its real estate expertise into a range of services for both borrowers and lenders that are dealing with distressed commercial real estate debt and equity workouts.

Already the company has landed about \$100 million in assignments, according to Stephen Carboni, who along with Shawn Krantz is one of the group's top principals. "We are not completely abandoning our former business model--but this will definitely be our primary focus going forward," he tells GlobeSt.com.

Services offered by the group will include land acquisition, development and construction loan workouts; non-performing loan reviews; asset and collateral analysis; comprehensive development of workout plans; loan valuation and NPV analysis; negotiating discounted payoffs and loan guarantees; developing bankruptcy avoidance/alternative strategies; asset management plan development; recapitalizing projects by contributing new equity; and expert witness testimony.

In its previous incarnation, the company has had a hand in distressed debt: Krantz and Carboni have advised on more than \$3.1 billion of distressed debt and equity restructures. They have also handled some \$8.5 billion in transactional real estate experience over the past 25 years, including several deals in the DC area. To cite just one example, last year Brownstone Capital sold 9121-9129 Gaither Rd., a bulk warehouse in Gaithersburg, MD for \$11 million, after acquiring it for \$5.4 million in 2002.