

# Real Estate Workouts Group

Sullivan & Worcester LLP's Real Estate Workouts Group finds creative solutions to assist banks, servicers of defaulted loans, owners, developers and investors in the restructuring of troubled transactions, including the purchase and sale of distressed real estate assets and loans. The Group is comprised of real estate, finance, litigation, bankruptcy and tax lawyers, and many of the lawyers in the Group weathered the downturn in the real estate market in both the 1980s and 1990s. The clients that the Group represents include institutional mortgage and mezzanine lenders, real estate funds and developers and the individual principals of the funds and developers.

With our deep experience, we find practical ways to meet our clients' goals by utilizing the wide variety of tools and strategies available in workouts, including debt financing, down-round financing, asset and debt sales and 363 bankruptcy sales in the most tax-efficient and cost-efficient manner possible.

## REPRESENTATIVE TRANSACTIONS

Representative real estate workout transactions include advising:

- Holders of leasehold and mortgage interests in approximately 57 real properties located in 13 states in entering into settlements whereby the properties were recovered and the debt resolved within a short time of each Chapter 11 filings for Integrated Health Services, Inc., Mariner Post-Acute, Inc. and Sun Healthcare Group, Inc.
- A major commercial bank in restructuring three tranches of debt with collateral comprised of discrete grades of real estate
- A major commercial bank in collection efforts, including realization upon real estate collateral located abroad and successful pursuit of domestic guarantors
- Staples, Inc., the national office supply chain, in its acquisition of real estate interests held by various Chapter 11 debtors, such as Service Merchandise, Inc. and Rich's Department Stores, Inc., including 41 leaseholds out of the Rickel Home Centers, Inc. bankruptcy alone
- Three publicly traded real estate mortgage limited partnerships and their outside directors in numerous controversies arising out of the precipitous decline in the commercial real estate market in the 1990s

- An international hotel owner and operator in the acquisition of a Caribbean resort hotel in a prepackaged bankruptcy
- A lender in connection with restructuring of senior and mezzanine debt secured by a \$500+ million luxury hotel and condominium project
- Mid-Atlantic upscale department store chains in connection with the disposition of substantially all of their 31 locations in a liquidating Chapter 11 proceeding
- A hotel developer and operator in the extension and restructuring of defaulted mortgage loans
- An international commercial bank in a broad array of restructuring and workout matters, including the utilization of expedited enforcement procedures
- A lender in commencing litigation against a guarantor rather than commencing foreclosure in order to expedite overall settlement
- A real estate developer regarding the extension and restructuring of various loans and equity investments

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*For further information about our Real Estate Workouts Practice, please visit our Web site at [www.sandw.com](http://www.sandw.com) or contact:*

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