



Atlantic Terminal in Brooklyn.

COURTESY © TAYLOR CROTHERS

### In This Issue

- 3** Chetrit Scores \$170M Construction Loan for 255 West 34th Street
- 7** Capital One Provides Stellar With \$105M Loan to Refi NY Portfolio
- 9** Emerald Creek Capital Provides \$36M Bridge Loan for Hell's Kitchen Project
- 11** Trinity's \$400M Loan on 375 Hudson Street Hits CMBS Market
- 13** \$142M CMBS Loan on LA Mall Sent to Special Servicing

*'Unless Amazon gets into the mortgage brokerage business... there's a lot of runway to grow our market share.'*

—Jordan Ray  
from Q&A on page 17

## Toys 'R' Us Files for Bankruptcy, No Stores Slated to Close (at Least for Now)

Ahead of its Sept. 26 second-quarter earnings call, toy giant **Toys "R" Us** has voluntarily filed for bankruptcy protection in the Eastern District of Virginia as a means of unburdening itself from massive debt on its balance sheet, \$400 million of which comes due next year.

"Together with our investors, our objective is to work with our debtholders and other creditors to restructure the \$5 billion of long-term debt on our balance sheet," Chairman and Chief Executive Officer **Dave Brandon** said in a statement.

Toys "R" Us, which was purchased by **Kohlberg Kravis Roberts, Bain Capital** and **Vornado Realty Trust** for around \$6 billion in 2005, said in a letter to its customers that it is "working to strengthen our financial position. The company, some of our U.S. subsidiaries and our Canadian subsidiary proactively and

## Madison International to Buy Forest City's \$1B New York Retail Portfolio

**Madison International Realty** has officially agreed to purchase **Forest City Realty Trust's** 51 percent interest in its 2.1-million-square-foot New York City/New Jersey retail portfolio, valued at \$1 billion, according to announcements from both firms on Wednesday.

Madison already held a 49 percent interest in the 12-asset portfolio, known as the "NYC portfolio," and now owns it outright. The properties include **Atlantic Center**, **Atlantic Terminal**, **Harlem Center** and the **Shops at**

**Richmond Avenue**. Madison is now mulling a potential redevelopment of Atlantic Terminal and Atlantic Center.

### The LEAD

The transaction is expected to close in the fourth quarter and will be capitalized with "significant follow-on investment from the existing NYC Portfolio investors."

In August last year, Forest City announced that it would explore "strategic

**MADISON...continued on page 3**

**TOYS 'R' US...continued on page 5**

# Recent Closings

\$36,000,000 Acquisition Loan



New York, NY (West 56th Street)

\$9,000,000 Refinance



Jersey City, NJ

\$8,500,000 Acquisition Loan



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# Chetrit Scores \$170M Construction Loan for 255 West 34th Street

The **Chetrit Group's** mixed-use hotel and retail development at **255 West 34th Street** is one step closer to completion. Last week, the developer closed a \$170 million construction loan for the project, sources told Commercial Observer.

Bank of the Ozarks provided the senior portion of the financing with **Melody Capital Partners** and **Arbor Commercial Mortgage** chipping in for the mezzanine piece. The exact breakdown of the capital stack couldn't immediately be ascertained.

**Iron Hound Management Company's Robert Verrone** and **Robert Vernicek** negotiated the financing on behalf of the borrower, the sources said.

As previously reported by *The Real Deal*, Chetrit filed plans for a 300-room, 33-story hotel at the site in April 2016. The 170,000-square-foot development will include retail space on the ground and second floors as well as below grade. Property amenities are set to include a restaurant and lounge on the fourth floor, an outdoor pool on the sixth floor and a terrace on the seventh floor. Hotel rooms will start on the ninth floor.

Chetrit jointly purchased an assemblage of retail properties on the West 34th Street block with **Cornell Realty Management** in 2015 before the two firms parted ways and divided the assemblage with Chetrit taking 243-255 West 34th Street and Cornell taking 257-255 West 34th Street.

Officials at Iron Hound and Bank of the Ozarks declined to comment. Officials at Chetrit, Melody Capital and Arbor could not be reached for comment.—*Cathy Cunningham*



## *MADISON...continued from page 1*

alternatives" for its retail portfolios and begin exiting the retail business. While Madison agreed to acquire the New York City/New Jersey assets, Australian investor **QIC** agreed to buy out Forest City on a portfolio of national assets.

In May, **Ronald Dickerman**, Madison's president and founder, described to Commercial Observer how the NYC Portfolio partnership first came about.

"In 2010, Forest City was building Barclays Center, which at the time was a hole in the ground. It was looking at a \$1 billion development check in order to complete it, and so it was very creative in looking for a way to raise money," Dickerman said. "Forest City said, 'You know, we have 2.5 million square feet of

retail space in New York, so why don't we go sell a piece, take on a partner and use some of that capital to build Barclays Center.'"

Madison snapped up a 49 percent interest in the portfolio one year later for \$180 million.

"That partnership has been really strong," Dickerman told CO at the time. "Then, Forest City made the strategic decision to exit the retail business, and that's where we find ourselves today."

Madison's purchase of the 95 percent leased portfolio now presents an opportunity for the firm to become one of New York City's largest landlords, according to Wednesday's announcement.

"This transaction is strategic for both Madison and Forest City, and fits well with our investment strategy of executing large scale equity investments to create 'win-win'

outcomes for our partners and investors," Dickerman said in prepared remarks. "The retail centers in the NYC Portfolio are in densely populated, well-trafficked areas that offer significant opportunity for continued value creation."

"Today's announcement is an important step in the ongoing execution of our strategic plan and is another example of delivering on our commitment to create value," **David LaRue**, Forest City's president and chief executive officer, said. "Madison International has been a great partner for the past six-plus years in these high-quality assets, and I salute the teams on both sides for bringing this large and complex transaction to fruition."

**Cushman & Wakefield** has been hired as the third-party property management and leasing team for the portfolio.—*C.C.*

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LAUREN ELKIES SCHRAM

The Toys "R" Us pop-up store at 1466 Broadway.

## TOYS 'R' US...continued from page 1

voluntarily filed for Chapter 11 in the U.S. and began parallel reorganization proceedings in Canada...Through these important actions, we expect to restructure our long-term debt and instead use these resources to reinvest in our business so that we can continue to improve your experience in our stores and online and separate ourselves from our competitors in today's rapidly changing retail landscape."

As of April 29, the company had \$6.57 billion in assets and \$7.89 billion in liabilities, according to the bankruptcy petition, obtained via **Nationwide Research Company**. Net sales decreased by \$113 million, or 4.9 percent, to \$2.2 billion for the 13 weeks ended April 29, compared with \$2.3 billion for the same period last year, the company's U.S. Securities and Exchange Commission 10-Q filing indicates.

**Steve Jellinek**, a vice president at **Morningstar Credit Ratings**, told *Commercial Observer* the bankruptcy didn't come as a great surprise.

"I was expecting it for a couple of reasons," Jellinek said, "Firstly, Toys 'R' Us had a heavy debt load because of its leveraged buyout. Secondly, the state of the retail market; there are just too many retailers—it was only a matter of time."

He went on to say following the retail industry's consolidation of bookstores and sporting

goods stores, consolidation among toy retailers was bound to follow. "The competition in toys is pretty much the same as the competition in books," Jellinek said. "You're dealing with a commodity, and the lower-priced retailer is going to win." Two of those lower-priced retailers bringing the heat are online giant Amazon and Walmart.

As CO reported on Sept. 11, a bankruptcy could place \$3.6 billion in commercial mortgage-backed securities loans at risk. The \$507.6 million loan securitized in the **Goldman Sachs/Bank of America**-sponsored **TRU 2016-TOYS** deal, backed by a portfolio of 123 Toys "R" Us and Babies "R" Us stores, is the CMBS loan with the largest exposure. "The big question everyone is asking is what's going to happen with the TRU deal, but nobody knows at this point. The positives are strong diversity of geographic locations, conservative underwritten loan to value and a conservative dark value on the whole portfolio—around 82 percent," Jellinek added.

All of Toys "R" Us' roughly 1,600 Toys "R" Us and Babies "R" Us stores and e-commerce sites will remain open for business, the company said, due to a commitment of over \$3 billion in debtor-in-possession financing from existing lenders led by **J.P. Morgan**.

Morningstar expects there to be some store closings eventually, Jellinek said. The stores that

will escape the shuttering will be "good locations with high demand, strong populations and most likely high sales per square foot, and you'll see that in the more densely populated areas," he said.

Meanwhile, Toys "R" Us is maintaining hope about this year's holiday season. The company said it has started its "seasonal hiring push," and as CO previously reported, it recently opened a pop-up shop in Times Square.

One broker spoke of the benefits of the bankruptcy filing.

"I think Toys' bankruptcy filing is probably a good thing, strategically, for the company," retail broker **Richard Hodos** of **CBRE** said over email. "If they are able to secure the debtor-in-possession financing package, it should give them breathing room and a whole new level of cushion so they can make the strategic investments in the business and operational platform necessary, for the business, in the long run."

Jellinek concurred that the bankruptcy filing isn't all doom and gloom. "It could be a good thing if they have some of the debt extinguished so it's more manageable and can focus on profitable stores. The question is, How are they going to compete going forward, even if they do close stores? Even in Class A locations, will the revenue be strong enough to survive? That's the question."—C.C. and Lauren Elkie Schram



Some people see  
**what others  
don't**



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# Capital One Provides Stellar With \$105M Loan to Refi 13-Property NY Portfolio

**Stellar Management** announced Monday it refinanced a 13-property portfolio in New York City with a \$105 million loan from **Capital One**.

**GCP Capital Group** arranged the financing for the five-year loan. Officials at the firm could not immediately be reached for comment on the transaction.

"We had an opportunity to take advantage of attractive capital market conditions to further the success of these buildings," Stellar Principal and Chief Operating Officer **Adam Roman** said in prepared remarks. "The entire team involved worked diligently to execute the refinancing of this expansive portfolio."

Together, the 13 properties span hundreds of thousands of square feet and comprise over 600 residential units. The buildings are located across Upper Manhattan, Harlem and Washington Heights. The one exception is **12 East 32nd Street**—an estimated

18,418-square-foot, eight-story commercial property in Midtown just a few blocks from the **Empire State Building**.

The largest property is a 85,482-square-foot, six-story walk-up apartment building located at **601-609 West 175th Street** with an alternate address of **1301-1313 St. Nicholas Ave.**

Stellar cited the current interest rate environment and the terms of the previously existing mortgage as reasons for seeking out the refinancing. The firm also plans to use a portion of the loan to fund capital improvements for each property, including upgrading the lobbies, renovating the buildings' elevator cabs and improving to the properties' landscaping.

A spokesman for Capital One was unable to comment on the story. A Stellar Management representative did not immediately respond to a request for additional comment on the deal.  
—Mack Burke



12 East 32nd Street.

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## Workforce

### Eastern Union Snaps Up Steve Cohen for Deal Team

**Eastern Union Funding** has hired **Steve Cohen** as a senior vice president in its debt and equity team, it announced this week. He will report to **Ira Zlotowitz**, Eastern's founder and president.

"Steve has the experience, talent and meticulous attention to detail that will make him a valuable member of my deal team at Eastern Union Funding, helping us execute a huge volume of transactions at the very highest level of service," Zlotowitz said. "Steve understands a deal from every angle and brings the kind of team mentality we are seeking—where we work together to deliver the best results for our clients and enable us to increase the production of our team."

Cohen was previously a broker at



Steve Cohen

**Meridian Capital Group** and has negotiated more than \$3 billion in loans during his career.

"Eastern Union Funding provides the tools, technology and support to level the playing field among all the brokers and help everyone succeed," he said. "It is a unique environment, and I am proud to join Ira's team where I can make a real contribution to production and service."

### Arbor Goes for Gold in Chicago Office

**Arbor Realty Trust** has hired **Sam Gold** as a vice president in its originations group. Gold will be based at Arbor's Chicago office and originate **Freddie Mac** Small Balance Loan (SBL), **Fannie Mae** and **FHA** loans in the Midwest, and Dallas regions. He will report to **John Caulfield**, Arbor's chief operating officer for its agency lending business.

"I greatly look forward to joining Arbor and bringing in new business to the Midwest and Dallas," Gold said in prepared remarks. "Arbor's commitment to building long-term

relationships and providing customized end-to-end loan solutions is unmatched in the lending industry, and I am excited to be part of the company!"

Gold has more than 15 years of industry experience and a specific expertise in multifamily loan originations. Gold was an executive director at **J.P. Morgan Chase** for seven years—also in Chicago.

"Sam joins Arbor with a successful track record of originating agency products and brings broad industry knowledge, from credit to asset management to securitization to portfolio management," Caulfield said. "Sam has had particular success with Freddie Mac SBL and will provide Arbor with a great opportunity to expand its presence and market share, and we look forward to having him as part of our successful and growing company."



Sam Gold

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Greenwich Village

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A rendering of 611 West 56th Street.

## Emerald Creek Capital Provides \$36M Bridge Loan for Hell's Kitchen Development

Developers **Sumaida + Khurana** and **LENY** have scored a \$36 million bridge loan from **Emerald Creek Capital** for their luxe 34-story condo development at **611 West 56th Street**, Commercial Observer can first report.

The transaction closed on Wednesday, sources said. The sponsors have been in contract on the site for over a year, during which time they acquired air rights and **New York City Department of Buildings**-approved plans for the development.

Emerald Creek's 24-month bridge loan will assist in the acquisition of the development site while the developers finalize the project's construction budget and secure a construction loan, sources said.

As first reported by the *New York Daily News*, the developers purchased the site from **John**

**Catsimatidis** for \$55 million in 2015. The site was formerly a six-story office tower and home to the corporate headquarters of **Gristedes**.

The 172,000-square-foot Hell's Kitchen development, located between 11th and 12th Avenues, will comprise 80 residential units—ranging from one- to four-bedrooms—as well as ground-floor retail. It is the first building in the U.S. to be designed by renowned architect **Álvaro Siza**.

The site is adjacent to **TF Cornerstone's** beehemoth development at **606 West 57th Street** (now known as **610 West 57th Street**). As previously reported by CO, the 42-story apartment building will have a total construction area of 1.2 million square feet and contain 1,028 rental units.

"We like the Hell's Kitchen neighborhood, and

we think it's transforming for the better," **Mark Bahiri**, a managing partner and co-founder of Emerald Creek, told CO. "Historically, it has been dominated by car dealerships, but with TF Cornerstone's development and this development site, we think it is changing for the better."

The debt was brokered by **Adi Chugh** of **Maverick Capital Partners**, who didn't return a request for comment.

Emerald Creek Capital has been an active provider of bridge loans of late. In June, the lender provided \$41.5 million in bridge financing for **New Empire Real Estate Development's** condominium development at **131-141 East 47th Street**, as first reported by CO.

A spokeswoman for Sumaida + Khurana did not return a request for comment. Officials at LENY could not be reached.—C.C.

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# Walker & Dunlop Closes \$1.9B Multifamily Loan Portfolio Financing

**Walker & Dunlop** has financed the \$1.9 billion acquisition of a portfolio of **Freddie Mac** loans on behalf of **Greystar**, the multifamily lender announced this week. The acquisition was made in connection with Greystar's acquisition of **Monogram Residential Trust**.

The portfolio includes 36 loans—62 percent of which are floating-rate and 38 percent are fixed rate—on multifamily properties across the U.S.

"It is a true honor to have been selected by Greystar to finance the largest transaction in its illustrious history," **Willy Walker**, Walker & Dunlop's chairman and chief executive officer, said in prepared remarks. "The Walker & Dunlop team, along with our partners at Freddie Mac, executed flawlessly on this large, complex transaction."

Walker continued, "There are only a few multifamily lenders in the country with the scale and expertise with the GSEs to execute on a transaction of this nature, and it is a testament to Walker & Dunlop's growth, and the incredible team we have, that we were able to execute on this financing so well."

The Walker & Dunlop financing team was led by **Matt Wallach**, **Stephen West** and **Craig West**.

"We were thrilled to work so closely with the incredible team at Walker & Dunlop and Greystar to facilitate this significant acquisition," said **David Brickman**, the head of Freddie Mac Multifamily. "This financing clearly demonstrates our ability to deliver innovative structures and certainty of execution to premiere multifamily operators."—C.C.



One of the portfolio's multifamily properties.



375 Hudson Street.

COURTESY PROPERTY SHARK

## Trinity's \$400M Loan on 375 Hudson Hits CMBS Market

**Trinity Real Estate's** \$400 million loan on **375 Hudson Street** will be securitized in the **Goldman Sachs**-sponsored **GSMS 2017-375H** single-asset, single-borrower commercial mortgage-backed securities deal, according to a presale report by **Standard & Poor's**.

As previously reported by *The Real Deal*, Goldman Sachs provided the \$400 million loan for Trinity's acquisition of the property's leasehold interest from **Tishman Speyer** last month for \$580 million.

The **Standard & Poor's** presale report shows that the 10-year loan, which expires on Sept. 6, 2027, is interest only for the entire term and has a 3.49 percent fixed interest rate.

In addition to acquiring the leasehold interest, Trinity is the 100 percent owner of the fee interest in the property. Trinity modified the existing ground lease so that no payments were due under the ground lease for 93 years. This benefited the leasehold owner consortium by increasing the value from \$565 million to \$1.05 billion. The reason for the spike in value is that the portion of the net operating income (NOI) that would have previously been attributed to ground rent now goes to the bottom line NOI of the leasehold estate, thereby increasing the value of the leasehold estate's interest.

After Trinity acquired the leasehold interest,

its joint venture partners **Norges Bank Real Estate Management** and **Hines** each acquired a portion. The total purchase price of \$865 million included \$473.4 million of equity—\$237.2 million of which came from Trinity and \$227.9 million from Norges and Hines.

Trinity and sovereign wealth fund Norges are joint venture partners in 11 office buildings in Hudson Square, comprising 4.9 million square feet of commercial space. Trinity owns a 51 percent majority, while Norges owns 48 percent. The joint venture announced last year that Hines—the developer behind **7 Bryant Park**—had been selected as operating partner for the portfolio and had also acquired a 1 percent stake in it. The developer paid around \$35 million for the minority interest, according to *Crain's New York Business*.

The 19-story, 1.1-million-square-foot mixed-use property at 375 Hudson Street is currently 99.3 percent occupied with the office portion at 100 percent occupancy and the ground-floor retail at 54.9 percent occupancy. **Saatchi & Saatchi** leases 63.7 percent of the office space on a lease that expires in January 2023, but will be moving to **1675 Broadway**, *TRD* reported. **Penguin Random House** occupies 27.4 percent of the property on a lease that expires in March 2025.

A spokesman for Trinity declined to comment.—C.C.

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The Westside Pavilion mall in Los Angeles.

# \$142M CMBS Loan on LA Mall Sent to Special Servicing

A \$142 million commercial mortgage-backed securities loan backed by **Westside Pavilion**, a sprawling West Los Angeles mall, has been sent to special servicing, according to an alert from **Trepp**.

The loan was transferred to special servicer **Rialto Capital Advisors** due to imminent monetary default.

The 10-year-term loan, which carries a rate of 4.47 percent, was originated by **Wells Fargo** in September 2012 and had a securitized balance of \$150 million. The note comprises just under 13 percent of the roughly \$700 million **WFCM 2012-LC5**, Wells Fargo-sponsored CMBS deal. This marks the loans first trip to special servicing.

The future health of the three-story, 766,608-square-foot mall, located at **10800 West Pico Boulevard**, in a suburb of Los Angeles, came under question in August after its debt service coverage ratio fell below 1.10x due to lease terminations as well as hurdles fulfilling financial obligations. Its tenant occupancy has fallen roughly 20 percent from nearly

full occupancy since the loan was underwritten and originated, according to information from Trepp.

In February 2017, one of the mall's largest tenants, **Macy's**, sold its anchor store, which it owned, to Los Angeles-based real estate investment firm **GPI Cos.** for \$50 million. The sale occurred as the department store was advancing its plans to close around 100 retail locations nationwide, according to the *Los Angeles Business Journal*. At the time, Macy's was also planning to expand its operations at Los Angeles' **Westfield Century City** mall, just a few miles from Westside Pavilion, after the mall completed its planned \$800 million in renovations. Westside Pavilion's largest anchor, **Nordstrom**, occupies 138,128 square feet—or just over 25 percent of the building's space—on a lease that's set to expire in 2035. The retailer is expected to relocate to Westfield Century City in October 2017, according to servicer commentary provided by Trepp.

"The property performance has been trending downward primarily due to the loss of

income," according to the commentary. "Lease terminations and amendments have combined with the loss of Macy's to reduce revenues over the past year. Definitive plans for the Nordstrom and Macy's space and the mall property, generally, are not yet known. Excluding Macy's, Macy's Home Store, Nordstrom's and **Landmark Theatres**, the inline space is 77 percent occupied. It's anticipated further deterioration in income will occur throughout the remainder of 2017."

Built in 1985, the mall features two community rooms for use by the locals and community organizations, free three-hour parking and a controlled parking program. The parking systems feature a red and green light system that pinpoints available parking spaces with a green light. The property also features an SMS ticketless valet parking system that allows visitors to simply text to request their vehicle.

Officials from the mall's owner and operator **Macerich** did not return a request for comment.—M.B.

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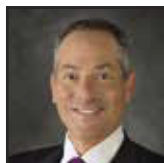
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# The Takeaway

## Hurricane Irma's Florida Pummeling Impacts \$35.1B in CMBS

"After ravaging a number of Caribbean islands, Hurricane Irma made landfall at the Florida Keys on Sept. 10 and proceeded to pummel the Sunshine State with heavy rain, flooding and winds as powerful as 130 miles per hour," said Sean Barrie, an analyst at Trepp. "The Miami, Tampa and Jacksonville metros were all hit, and parts of Georgia and South Carolina also suffered from large storm surges. As of Sept. 13, FEMA's individual assistance list included 21 Florida counties. Across those 21 counties, there is about \$35.1 billion in exposed CMBS backing more than 2,600 outstanding loans. Since agency CMBS is included, about 46 percent of that debt is backed by multifamily properties, while retail comprises 20 percent and hotels make up 15 percent. Only 62 loans (or 2 percent of the total balance) are delinquent, and just five of those loans (0.5 percent) are with their special servicer."

Source: [Trepp](#)

### Summary for Florida's Hurricane Irma Exposure

Total number of deals	873
Total current balance	\$35.1 billion
Number of loans, properties	2,621 / 2,802
Largest concentration (property type)	Multifamily (46 percent)
Delinquency	2.1 percent / 62 loans
Specially Serviced	0.5 percent, 5 loans
Watchlist	5.4 percent / 135 loans
Largest deal exposure	AVMT 2013-AVM

Property Name	Current Balance	Florida Location	Property Type	Deal Name	Percentage of Deal
Aventura Mall	\$1.2 billion	Aventura	Retail	AVMT 2013-AVM	100
Waldorf Astoria Boca Raton Resort & Club	\$430 million	Boca Raton	Lodging	WABR 2016-BOCA	100
Hilton Orlando	\$276 million	Orlando	Lodging	HILT 2014-ORL	80
Pembroke Lakes Mall	\$260 million	Pembroke Pines	Retail	GSMS 2013-PEMB	100
JW Marriott & Ritz Carlton Grande Lakes	\$227 million	Orlando	Lodging	BXHTL 2015-JWRZ	31.4
JW Marriott & Ritz Carlton Grande Lakes	\$205 million	Orlando	Lodging	BXHTL 2015-JWRZ	28.4
Village of Merrick Park	\$168 million	Coral Gables	Retail	WFRBS 2011-C3	16.9
Ritz-Carlton South Beach	\$160 million	Miami Beach	Lodging	CCRSB 2016-HEAT	100
Lone Star Rollup - Florida	\$157 million	Various	Multifamily	FREMF 2015-KLSF	12.2
Arium Resort	\$155 million	Pembroke Pines	Multifamily	FREMF 2013-K35	10.5
St. Johns Town Center	\$147 million	Jacksonville	Retail	WFRBS 2014-C24	12.02
Westfield Citrus Park	\$136 million	Tampa	Retail	MSBAM 2013-C10	9.84
Various	\$132 million	Various	Manufactured Housing	FNA 2012-M4	25
MSKP Retail Portfolio - A - A-1 note	\$130 million	Various	Retail	MLCFC 2007-6	22.3
Grand Beach Hotel	\$120 million	Miami Beach	Lodging	WFRBS 2013-C12	10.4
Loews Miami Beach Hotel	\$120 million	Miami Beach	Lodging	COMM 2014-LC17	10
Loews Miami Beach Hotel	\$120 million	Miami Beach	Lodging	COMM 2014-UBS5	8.7
Coastland Center	\$118 million	Naples	Retail	COMM 2013-LC6	9
InterContinental Miami	\$115 million	Miami	Lodging	COMM 2014-CR20	10
The Avenues	\$110 million	Jacksonville	Retail	COMM 2013-CR6	8.2

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# Jordan Ray

Principal of the Debt and Equity Finance Group at Mission Capital

**Commercial Observer Finance:** Tell us about your start at Mission Capital.

**Jordan Ray:** When I came to Mission, it was 2009, and the world was ending. I was invited to join and sell loans but ultimately started financing deals when the market came back again. I walk into this office at 584 Broadway, and it's 1,200 feet, creaky wood floors and a bunch of people sitting around a trading desk with five monitors. But there was just this buzz. Selling distressed loans in a downturn is a good business.

**How does Mission's business differ from its competitors?**

What Mission did before I joined was make the decision to invest time and money to build out existing technology. When you're selling large pools—we'd sell half-a-billion-dollar pools of \$2 million to \$3 million credits throughout the Midwest and the Southwest—there are a lot of loans and 20 to 30 investors looking at each one. It's a really hard set of data to manage—you can't really do that in Excel. Mission embraced [customer relationship management platform] Salesforce and brought in data analysts, and we have a also have a chief investment officer, Peter Shankar. What other small brokerage firm has a CIO, right? So to be able to build out layers on top of Salesforce that we use to track investors on every transaction...I looked at this, and I was like, "Wow, I was doing mortgage distributions in Excel and sending around a spreadsheet [previously]!"

So it's not groundbreaking, but large organizations don't have the ability to make these changes in our business. While they'll always do a lot of business in our market because they control the investment sales market, we've been really good at carving out a niche as strong players in the hospitality business and the construction side of the business, as well as storage deals and transitional stuff.

**Is the majority of your business in New York?**

New York City is a huge place, and there are lots of worthy competitors here. But if you go to Seattle, Los Angeles, Chicago, I can't really say the same thing. We've always done a ton of business in South Florida. We probably have done more volume there than people who work there, and we are going to open a Miami location soon. We're trying to do the same in Chicago—we've done so many hotels and apartments there and we follow the equity investors there. In L.A. we have an office in Newport Beach, but we're



Jordan Ray.

actually going to open a Santa Monica office in the next few months.

**What is Mission's work environment like?**

We all come from places that are classic brokerage environments. This industry is rife with internal competition—some would argue that's a good thing because it makes everyone fight for business and get off their ass and go get it, but we're not those "some." We want an environment where everything is shared—from business development efforts to execution of transactions. You can have an office here if you want one, but most people don't. They want to be in the mix and in the flow. We have these little [conference] call rooms and I float in and out with my laptop. Now and again I have this Steve Harvey stick [with a photo of Steve Harvey] that I hold up...Did you ever read the article about when he basically told his staff to fuck off? The internet was in uproar about how rude he was. Steve Harvey [sent a memo to his talk show staff telling them] to leave him alone when he was backstage. We all have one here, and if my Steve Harvey stick is up, it means go away. People will come up to me at any time, unless my Steve Harvey stick is up [laughs].

**How does Mission keep its edge?**

Unless Amazon gets into the mortgage brokerage business, I don't expect the big national [brokerages] to change their business overnight and say we're going to have a centralized [system] and teach 65-year-olds who make decisions over there how to use Salesforce—it's just not going to happen. So there's a lot of runway to grow our market share.

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