

# CRA

## CRA Quarterly

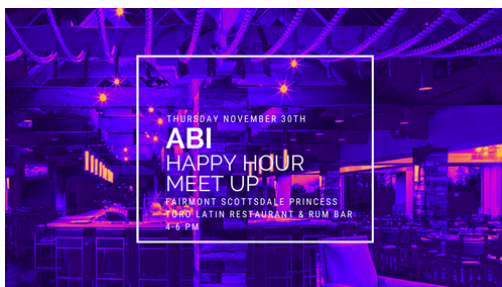
### Closing Out 2023

We have had a busy, busy year. Not just as an association but we're continuing to hear our members are getting busier and busier. There are a number of signs showing that as we close out 2023 and move into 2024 we'll continue to see a rise in insolvency actions in certain sectors more than others. Some areas we're seeing the writing on the wall include:

- Cannabis - without anywhere else to turn we'll continue to see a rise in cases as cannabis practices become more and more prevalent across the country. With no path to bankruptcy these companies are looking into [Alternatives to Bankruptcy](#).
- Commercial Real Estate - it's been on the horizon for several years now, but recent statistics, as are referenced in this [BisNow article showing 88.9% of CMBS loans that matured in September defaulted](#) or this article on [Regional Banks Seeing Big Jump in Nonperforming CRE Loans](#), show that the time is fast approaching.
- Hospitality - over the course of COVID hotels continued to increase their debt loads in an effort to stay afloat with banks knowing there was a strong underlying asset. However, many of these hotels could not handle the debt loads they took on, especially after changes to tourism in their community, just like the [Two Largest Hotels in San Francisco](#).
- Senior Care - Similar to hospitality this is an area that took a huge hit in revenues as well as a dramatic increase in expenses. Similar to CRE, this group is running in tiers of Class A, B, and C, with the Class A properties still performing, but the run on insolvency is coming in the Class B and C. Receivers will play a large role in these receiverships as is outlined in this [TMA Article on The Role of the Receiver in Senior Living Facilities](#).

So what does this mean for you as a CRA member? It means the time is now to prepare, network, and be ready for incoming work in a receivership, ABC, CRO, bankruptcy, or other action. Fortunately for you, the CRA is here at your fingertips providing a network of the right individuals and companies from across the country that will be working on these actions. The CRA also provides you with the ultimate resource of personal brand awareness giving you the opportunity to highlight your skills and experience through publishing articles, shared social media, speaking opportunities, and so much more.

No other association gives all of its members the ability to network and share experience like the CRA, take advantage of this membership benefit before we close out 2023 and make sure 2024 is as busy as you desire it to be.



Join Us At ABI Midwinter Leadership

CRA Happy Hour

Toro Latin Restaurant & Rum Bar

November 30th, 2023

4-6pm

# What's To Come in 2024

## 2024 Webinars



As a CRA member we want you to be aware of what's to come for CRA in 2024. We've been working hard behind the scenes to make sure your membership is as valuable as possible.

- State events are being planned right now, there are two great ways to ensure you are up to date on all that's happening near you:
  - [State Events Page](#) - lists all the live, local events going on across the country
  - [Your State Page](#) - in addition to local events you can also find your state statutes, information on your state director, and much more.
- We have a number of partnerships coming out, especially with State Bankers Associations across the country. This opens up a number of speaking and publishing opportunities for our members putting you in front of the individuals that originate receiverships, CRO work, ABC's and more.
- More State Launches - we've already announced North Carolina in February. If you're interested in having CRA do a launch in your state please reach out today to [info@commercialreceiver.org](mailto:info@commercialreceiver.org).
- More opportunities for publishing
- More opportunities for speaking
- More opportunities to highlight the membership that makes the CRA such a special organization.

## 2024 CRA Annual Conference



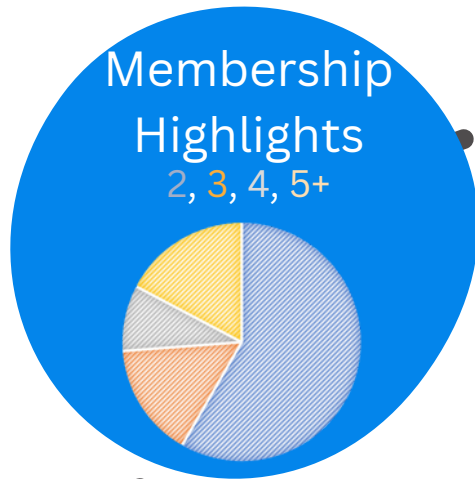
The CRA conference is always the biggest event of the year and the 2023 conference was one for the books. Don't miss 2024 and the chance at sponsorship opportunities that put your brand in front of the right people.

[Register Today](#)

[Book Your Flight and Hotel](#)

[Become a Sponsor](#)

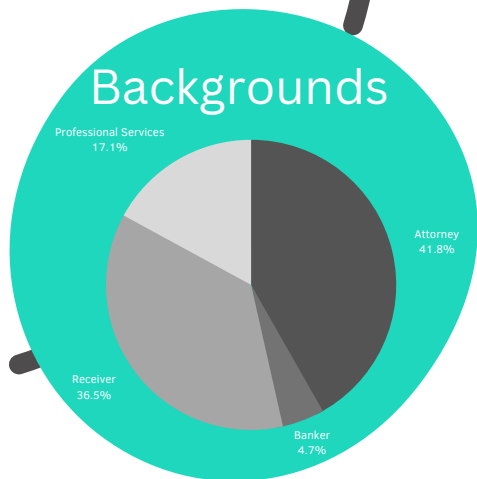
# Stats About CRA Membership



**171**  
**Members**



**From**  
**28 States**



## Other Partnerships

- 1 8 Corporate Members
- 2 1 Media Member
- 3 6 State Banker Association Partners
- 4 11 Conference Sponsors

## Highlights

- 1 19 State Launches
- 2 12 State Directors
- 3 4 Webinars
- 4 106 Conference Attendees

# Selling Assets in Court-Ordered Receiverships: Where Art Meets Science

BY: BILL LAWRENCE | [REVITALIZATION PARTNERS](#)

Determining the fair market value of assets for a company that is operating as a going concern requires a substantial effort to ensure that a receiver is maximizing the value of assets on behalf of the company's creditors. For example, under the Washington State Receivership Act, the receiver is required to obtain approval from the court after sufficient notice to all interested parties to enable them to comment on the proposed sale of assets. This process requires that receivers are able to justify the value of the proposed sale and make the case that it represents the best and highest value for the assets when viewed objectively.

This effort begins with determining the liquidation value of the physical assets. To initiate that process, we typically bring in a firm that has experience in valuing physical assets, and which also has the capabilities to conduct an auction, should that be required. This type of firm, in our experience, provides the most realistic valuation of the physical assets to use as a baseline for establishing the minimum value for a going concern asset sale. The going concern valuation, in addition to the value of the physical assets, also includes estimates for intangible assets, tradenames, customer lists, websites, and the value of the sustainable revenue in a going concern environment.

## The Building Blocks of Success

A significant element in establishing the best and highest price is to establish sales and bidding procedures to be used to attract possible bidders. The bidding protocols could include minimum acceptable bid price, as well as bidding increments and overbid procedures, depending on the nature of the business and the number of bidders anticipated. Those procedures may also include qualifications for potential bidders and a bidding deadline for any bids to be submitted.

It's important to communicate to potential bidders that the assets are sold free and clear of all liens, that there are no contingencies allowed and that the winning bidder must make a cash down payment and remit the balance in cash at closing. Selling the assets free and clear of all liens is a substantial benefit to potential buyers, as they are not responsible for any liabilities previously incurred by the company and have unencumbered use of the assets after the sale is consummated.

Identifying individuals or companies that might be interested in bidding on the assets is also an important part of the process. We have found that there are many different sources for potential bidders, including vendors, key members of the management team, competitors, or former or current owners of the business. We also place ads in trade magazines, typically in the businesses for sale section, which often generate significant interest.

Typically, we receive a number of offers for the assets being sold and as part of the process we vet potential buyers to ensure they have the ability to fund the purchase at closing. Those parties also conduct due diligence during this period, as one of the important elements of the sale is that they purchase assets on a "where is/as is" condition. In other words, there is no recourse to the receiver or the company after closing. We also use this process to negotiate an increase in the purchase price, if possible, when there are multiple buyers.

## The Value Premium

The process typically results in a sales price that is substantially better than the liquidation value that was obtained early in the process. A recent example of this was when we recently sold the assets of a company and in court pleadings stated, "Given the facts and circumstances of this case, the purchase price is clearly more than 50% of the fair market value of the tangible and intangible assets being sold." The court agreed and subsequently approved the sale, based on the facts submitted. As a result of this sale, we were able to pay off 100% of the secured debt and were in position to return a portion of the proceeds to the members of the LLC.

The process of maximizing the value of the assets is an art form and a science. As such, it's important for the receiver to have experience in operating companies to obtain the best value for the benefit of creditors. Those skills sets, coupled with experience in marketing and selling assets in an operating company, substantially improves the prospects for success.

[Find this article and more on \[commercialreceiver.org\]\(#\)](#)

# Welcome New Members

Name	Title	Company	Location
Randel Lewis	Principal	Foundation Ltd	Denver, CO
Kristy Carter	Exec VP of Asset Management	KennMar	Indianapolis, IN
Al Davis	Principal	Revitalization Partners	Seattle, WA
Cheryl Adams	Partner	Ampleo	Boise, ID
John Mairo	Principal	Porzio Bromberg & Newman	New York, NY
Gregory Harris	Managing Director	Asterion Consulting	Philadelphia, PA
Matthew Smith	Managing Director	Finley Group	Charlotte, NC
P. Matthew Cox	Shareholder	Snow Christensen & Martineau	Salt Lake City, UT
Baker Smith	Managing Director	BDO Consulting	Atlanta, GA
Robert Tramantano	Principal	Great Neck Realty	Raleigh-Durham, NC
Philip von Kahle	President	Michael Moecker & Associates	Ft Lauderdale, FL
George Blanco	Managing Principal	EMA Group	Los Angeles, CA
Guillermo Ochoa-Cronfel	Owner	The Cronfel Firm	Austin, TX
Erik White	Managing Partner	Harney Partners	Austin, TX
Shawn Aziz	VP of Acquisitions	Klosed Properties	Great Neck, NY

## Thank You To Our Corporate & Media Members



## Follow Us On Social

