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*FinPro's Annual Directors and
Presidents Conference for
Financial Institutions*

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DRA Overview

- Providing full range of loan workout services
- Workout experience dating back to S & L crisis late 1980's
- Partners include bank director and former workout lawyer
- Developers/construction managers
- Note purchasers



Regulatory Process and Economic Stress Strangling Community Banks

- No TARP, TALF, PPIP bailout
- Plenty of capital but inability to lend
- Criticized loans and NPLs increasing
- Commercial delinquencies on the rise



Onerous and Protracted Foreclosure Process

- Typical New Jersey foreclosure 16-18 months
- Bergen Record article October 2009 – NJ foreclosures up 47%
- Bankruptcy adds 6-9 months
- Collateral is deteriorating



Workout Process

Bank Officers/Lenders

- Borrower relationships may be too close
- Self preservation – no incentive to resolve loans quickly
- Lack of workout experience



Workout Process (continued)

Assessment

- Real Estate
 - Site visit
 - Market analysis
- Financial strength of guarantor
 - Current PFS and tax returns
 - Asset searches
 - Forensic accounting
- Legal strategy with bank counsel
 - Foreclosure/Chancery Division
 - Pursue expedited judgment against guarantor/Law Division



Workout process (continued)

Face to face with Borrower/Guarantor

- Negotiation Protocol Agreement (“NPA”)
 - Protection of lender
- Develop strategies
- Presence of lender at meetings – pros & cons
- Establish deadlines for response
- Continuation of legal pressure
 - Psychological effect on borrower



Implement Workout Strategy

- Coordination with management and board
- Loan modification
- Deed-in-lieu of foreclosure
 - With or without deficiency note
- Note sale/discounted payoff
- Receivership/property management
- Construction activities
- Sales/leasing



Nicholas W. Minoia

Managing Partner

- 1984-1989** - Construction Project Manager for several Manhattan residential and commercial mid and hi-rise development projects including a 40-story tower at Lexington Avenue and 57th Street.
- 1988-1991** - President of real estate subsidiaries for a Bergen County, New Jersey Savings and Loan. Responsible for management, disposition and workout of large pool of non-performing loans and REO including multiple joint venture condominium development projects and loan participations.
- 1991-1998** - Founding Partner of Pinnacle Communities. Regional development company that specialized in the turnaround of failed multi-family development communities as well as creating pipeline of new projects. Total number of units built exceeded 1,500. Flagship project included the acquisition of the Crossroads Corporate Center in Mahwah, New Jersey, a mixed-use 500,000 square foot commercial property.
- 1998-2000** - President of Westminster Communities. Responsible for all operations including acquisition, development, construction and sale of approximately 1,000 units of single-family, multi-family and townhome communities as well as commercial activities. Notable project includes being named redeveloper by the City of Perth Amboy, New Jersey for a mixed-use waterfront redevelopment project consisting of 2,500 residential units and 500,000 square feet of commercial space.
- 2000-Present** - Founded Diversified Properties. Currently serving as President. The company reaches across a broad platform of development projects including mixed-use commercial/residential properties, redevelopment opportunities, self storage, multi-family and commercial ventures.
- 2008-Present** - Founding Partner of Diversified Realty Advisors, LLC. Company specializes in loan workouts, REO, distressed portfolio acquisition and disposition.



Jonathan D. Stein

Managing Partner

- 1986-1988** - Development partner for local New Jersey commercial real estate firm in Scotch Plains, New Jersey. Acquired, planned and built office condominium.
- 1988-1991** - Rutgers School of Law. JD 1991.
- 1991-1994** - Associate at mid-sized law firm in New Jersey. Practice concentrated in all elements of transactional real estate. Also represented borrowers and lenders with loan modifications and workouts.
- 1994-2000** - Associate General Counsel and Vice President of Roseland Property Company/Starbare Associates. Engaged primarily in acquisition and disposition of portfolios of sub-performing and non-performing loans and REO/OREO from RTC and various lending institutions. Responsibilities included diligence of portfolios assets, property management, loan modifications/workouts, DPO negotiation, property development, leasing and sales. Maintained high level of planning and reporting to institutional investors. Total face value of acquisitions approximately \$1 billion.
- 2000-2008** - Operating Partner of Roseland Property Company. Responsibilities included asset acquisition, due diligence, financing, design coordination, land use approvals/entitlements, and sales for large private development firm. Developed several thousand residential units and hundreds of thousands of square feet of commercial space. Flagship developments included Port Imperial on New Jersey's Gold Coast and the design of the former General Motors Auto Assembly Plant in Sleepy Hollow (North Tarrytown), New York.
- 2008-Present**- Founder of PCD Capital, LLC. Wholly owned development and investment venture.
- 2009-Present** - Founding Partner of Diversified Realty Advisors. Company specializes in loan workouts, REO, distressed portfolio acquisition and disposition.



With one call, Diversified Realty Advisors can manage all of your real estate needs. The professionals of Diversified are experienced in virtually every aspect of real estate. In addition to their own extensive in-house expertise, Diversified has strategic alliances with attorneys, engineers, architects, planners and other outside consultants to ensure timely engagement and implementation of assignments. Significantly, the principals of the firm have more than 50 years in direct, personal hands-on experience in the following fields:

- Loan Workouts & Modifications
- REO/Foreclosure
- Construction Management Services
- Environmental Cleanup
- Property Sales/Management
- Real Estate Auctions
- Condominium Association Transitions
- Distressed Portfolio Acquisition & Disposition
- Real Estate Development
- Legal/Mortgagee in Possession
- Financial Analysis & Feasibility
- Land Use Approvals
- Bankruptcy Workouts
- Lease Negotiation

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