

MAKING LEMONADE OUT OF LEMONS.

Memphis, Tennessee

Turning around a troubled asset is a bit like turning lemons into lemonade. At MRG, that's the kind of challenge we like. That's why we welcomed the call from the lender back in 2001 to be the receiver for a 104,000 square foot shopping center located in a declining area of town.



The shopping center had recently received news that its major retail center, the Mall of Memphis, would be closing at some point in the near future. At the time we were appointed receiver for the property, it was 73% occupied and generating \$53,000 in monthly income.

Despite the eventual mall closing at the end of 2004, MRG was able to bring the property to 97% occupancy, which was generating \$97,000 in monthly income by the time its owner – an investment firm in Ohio – asked MRG to list the property for sale. In fact, an aggressive campaign to court previous mall tenants proved fruitful in securing some new tenants for the shopping center. With high occupancy rates and incomes, the property had become an attractive investment opportunity that allowed the seller to realize a nice profit when MRG sold the property for them in 2005.



When you are in a tight squeeze, it's helpful to have a company with a track record of success in managing distressed properties.

MANAGEMENT HIGHLIGHTS:

- Property stats prior to 10/2001:
 - Occupancy of 73%
 - Monthly income of \$53,000
- MRG appointed receiver 10/2001 and then retained by new owner to manage the property:
 - Occupancy increased to 97%
 - Monthly income increased to \$74,000
- Property disposition brokered by MRG and sold 12/2005 at a significant profit

 Makowsky
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