

November/December 2010

## Platinum Prop. To Solve Debt Problems At Future Condo/Hotel Site

Less than a year after launching an in-house commercial division, Wall Street-based brokerage firm Platinum Properties has struck a major deal at 14-20 West 40<sup>th</sup> Street for \$52 million, with the company's Executive VP of Investments, Raymond Cecora, acting as sole broker in the transaction.

After 14-20 West 40<sup>th</sup> Street's previous owners defaulted on their \$44 million loan from lender, Petra Capital, and the site entered into foreclosure, Cecora approached the lender to discuss ideas on how to handle the situation. Pre-existing Platinum client, HFZ Capital Group, first struck a deal to purchase the remaining debt and take control of the non-performing note from Petra Capital for \$41 million. Negotiations continued between HFZ Capital and the defaulting borrowers to obtain the deed, in lieu of foreclosure. HFZ Capital Group became the new owner just one day prior to the date set for auction, purchasing the undeveloped site for \$52 million.

"This \$52 million sale was an incredible deal," said Cecora. "All the parties involved were able to walk away satisfied, while the new owner, HFZ Capital, was able to acquire this site at a price level that is sure to show them great returns, even given today's economic variables."

According to Cecora, HFZ's plans for the site, which is currently used as a parking lot, include commencing construction on a new 189,000-square-foot hotel-condominium development that will overlook Bryant Park, and to see the project through to completion.