

# Real estate vets form property-services company

BY PAULA MOORE

DENVER BUSINESS JOURNAL

Three Denver commercial real estate firms have joined forces to help lenders deal with a wave of properties expected to go into foreclosure starting this spring.

L.C. Fulenwider Inc., Bitzer Real Estate Partners and Real Estate Generation LLC (REGen) have formed American Property Solutions Inc. of Denver to handle those needs. The three companies continue to function separately, but handle distressed property work as American Property Solutions (APS).

Services provided by the new company include acting as, or working with, property receiver/trustees as well as offering property and construction management, accounting and brokerage expertise.

So far, fledgling APS has sold two properties for Bank of America, including an apartment complex in Colorado Springs.

"We expect a lot of commercial property will be foreclosed on this year, probably beginning when property taxes start coming due in April [and owners can't pay them]," said APS President Hal Hultquist.

The Denver operation of Los Angeles-based CB Richard Ellis Inc. said, in its year-end 2009 market report, that in 2010 many

## DETAILS

**Company:** American Property Solutions Inc.

**Started:** 2009

**Business:** Full-service commercial real estate management company, specializing in distressed properties.

**Headquarters:** Denver

**Principals:** Cal Fulenwider, John Bitzer, Hal Hultquist, Marcia Lujan

local office building owners particularly will find their loan-to-value ratio on properties to be below existing debt, and may be forced to sell or give back properties to lenders. "Additionally, the current investment market is swamped with predictions of defaults, distressed properties, workouts and foreclosures," the CB report said.

ABS principals have plenty of experience dealing with distressed properties, particularly from their work in

the late 1980s and early 1990s with the Resolution Trust Corp. (RTC).

"We've been through this before," Cal Fulenwider, president of L.C. Fulenwider and co-chairman of APS, said of distressed real estate markets. "The banks

know us. ... And we've got lots of other contacts, so if we can't do something, we know someone who can."

The RTC, created in 1989, was the federal government's agency for dealing with the savings and loan crisis, including helping insolvent S&Ls dispose of real estate taken back through defaulted loans.

During its short life, the RTC was particularly active in Colorado because there were so many S&Ls here. This state also was home to one of the S&L crisis' biggest failures, Silverado Banking of Denver, whose demise cost \$1 billion and involved Neil Bush, a Silverado board member and son of former President George H.W. Bush.

While the RTC closed in 1995, the Federal Deposit Insurance Corp. didn't finish selling the RTC's Colorado assets until 2001. The FDIC took over the RTC's unrecoupled assets after the agency stopped operating.

Bitzer Real Estate principal John Bitzer, APS' other co-chairman, did a lot of RTC work when he was a broker and executive at what's now Fuller Real Estate of Denver. Bitzer's focus with APS is leasing and sales brokerage.

In the 1990s, Hultquist launched the CPM Corp. receiver management and

construction company in Southern California, which managed more than 800 distressed properties during its six years of operation. Hultquist's background is in construction management.

Other APS principals include Ferd Belz and Ken Ho, who formerly were with Cherokee Denver LLC and started REGen in 2008.

Cherokee Denver formerly was in charge of redeveloping the western part of the old Gates Rubber Co. plant at Interstate 25 and Broadway in Denver. Gates Corp. took back most of that property in 2009, after Cherokee's redevelopment plans were derailed by lack of financing.

Belz and Ho still are in the process of qualifying to be receivers for distressed properties. Receivers, which are appointed by state courts, manage distressed assets until they can be sold. APS also will work with receivers outside the company.

"Receiver, asset manager — those are roles that are comfortable for us," Ho said. "For example, if you have a half-built condo deal, we can come up with a business plan for developing the project; we can fulfill the construction management."

PMOORE@bizjournals.com | 303-803-9232

## MARKET: Local businesses adding to trove of research for investors

CONTINUED FROM A1

Pashel said. "Honestly, the investor probably didn't fully appreciate or understand the credit risk and mar-

AAA by Standard & Poors. By the time Janus removed the SIV from its funds, its rating had been cut 13 levels, to six steps below investment grade.

Arrowhead doesn't rate securities, Pashel said; in-

## Homeowners more confident properties are retaining value

Western homeowners' confidence that their homes are retaining value went from "highly optimistic" in 2009's third quarter to "nessimistic" in last year's final quarter