



Atlanta • Austin • Baltimore • Boston • Charlotte • Chicago • Dallas-Ft Worth • Denver • Houston • Los Angeles • Miami • New Jersey
New York • Orange County • Philadelphia • Richmond • San Antonio • San Diego • San Francisco • Seattle • Toronto • Washington, DC

June 5, 2013

Climbing a Mountain of Distress

Buying distressed assets isn't for the weak of heart, and no one knows this better than Pathfinder Partners senior managing director **Lorne Polger**. (Skydiving is nothing... if you want a real **adrenaline** rush, buy distressed.)



The San Diego-based investment firm just snapped up 16 unsold units at the **Aragon** townhome community in La Mesa, which were part of the **Barratt**

American bankruptcy. **Yesterday**, we spoke with the **avid hiker** (snapped with Stewart Title's **Deb Bossmeyer** at 6,600 feet atop Cuyamaca Peak, the county's secondhighest summit, this past Saturday). He tells us the units were purchased as **REO** from Bank of America, which was Barratt American's largest creditor. The homebuilder developed Aragon in 2005 and sold 32 units before the housing market crashed. "The remaining 16 constructed units have been sitting there, unrented and unsold." While the units are move-in ready, Pathfinder has undertaken **market studies** to determine whether to sell or rent them in the short term, but Lorne says the plan ultimately is to **sell as the market continues to improve**.



lost eight pounds." Congrats!

The **Mediterranean-style** community contains two- and three-story units ranging from 1,052 to 1,377 SF. The transaction included an **adjacent parcel** that was earmarked for **10** additional townhomes. Pathfinder, which invests in distressed assets and defaulted loans, plans to **dust off** the original architectural plans and get them resubmitted, with completion expected in **2014**. Lorne is fresh off a week-long trip to Canyon Ranch in Tucson, where he "ate rabbit food and