

# South Florida BUSINESS JOURNAL

## STEPPING UP:

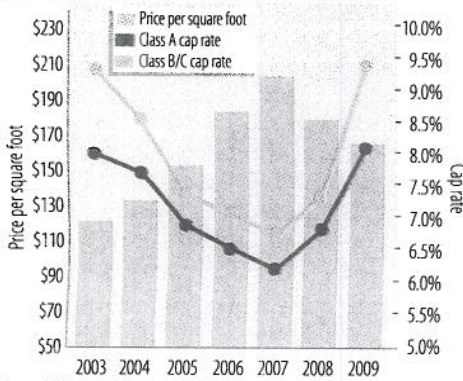
Luxury stairway maker hopes to step out of bankruptcy and work with creditors

P3



## Retail rollback

Falling leasing rates (left scale and bars) and rising cap rates (right scale and fever lines) indicate falling retail property values.



Source: CBRE research

## CMBS crisis hitting hard

Shoppes at Dadeland is one example of how real estate is impacted

BY BRIAN BANDELL AND OSCAR PEDRO MUSIBAY

Call South Miami's Shoppes at Dadeland the canary in the commercial mortgage-backed securities (CMBS) coal mine.

The loss of Linens 'n Things in late 2008 took the well-located, big-box shopping center from making money to making appointments with a workout specialist.



Shoppes at Dadeland owner Sunshine Land Associates, an affiliate of the Troy, Mich.-based Hayman Co., went from positive cash flow at 2007's end to being upside down within weeks of Linens 'n Things' exit. On Feb. 9, Fitch Ratings reported that its \$39 million CMBS loan

was transferred for special servicing with Miami

SEE CMBS | 44

## Hot strategy for the wealthy: File Chapter 11

BY PAUL BRINKMANN

Wealthy people have resorted to filing more personal Chapter 11 bankruptcies in South Florida, as business owners and real estate investors try to restructure their financial lives.

The personal Chapter 11 is only for those who enter bankruptcy with unsecured debt of more than \$336,000 or secured debt exceeding \$1 million. The number of individuals or married couples entering Chapter 11 in federal courts for the Southern District of Florida more than doubled last year, to 57 cases from 25 cases in 2008. The bankruptcy filings reveal that many fell into debt because of failed real estate investments.

"Basically, you have more people who are wanting to restructure complicated debt and



Tropical Shipping's Tropical Unity ship frequently takes on cargo containers at the Port of Palm Beach.

MARK FREERKS

## Port of Palm Beach has high hopes

BY BILL FROGAMENI

The Port of Palm Beach is weathering the recession with mixed results.

There was a less than 3 percent drop at the Port of Miami and a 19.1 percent drop at Port Everglades between 2008 and 2009. Each port handles different kinds of cargo in different ra-

# Symmetrical Stair's bankruptcy result: A penny for every dollar

BY PAUL BRINKMANN

Al Cheponis and his staircase manufacturing company rode the booming housing market wave, but that wave broke last year after the housing market collapsed.

Now, Cheponis is getting approval from a bankruptcy judge to erase some of his debt with Symmetrical Stair and make another go. While the strategy would seem to work for Cheponis and his attorneys, there's a downside: Some of his vendors and other creditors are literally getting a penny on the dollar for their claims.

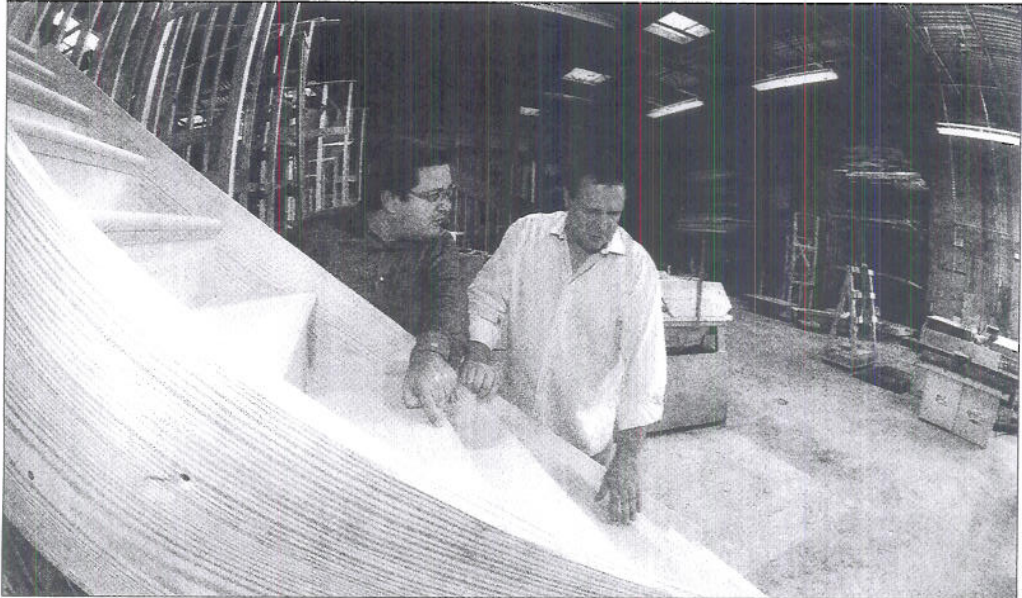
Asked if vendors were "taking a bath" for the stair company's future, Cheponis' bankruptcy attorney David Merrill was direct.

"Well, yeah, candidly ... but most voted for this reorganization plan because ... they have a chance to do business with this company in the future," said Merrill, of Shapiro, Blasi, Wasserman & Gora in Boca Raton. "If they didn't vote for this plan, they wouldn't get much in liquidation anyway, and there would be no company in the future."

The Pompano Beach-based staircase manufacturer and its owner filed voluntary Chapter 11 petitions in June 2009, stating \$2 million in debts and \$437,000 in assets.

At one time, the company had 70 employees. The plan for it to emerge from bankruptcy has just 10 employees.

The largest creditors in the company's bankruptcy included a \$1.2 million secured claim by Atlanta-based SunTrust Bank, secured by all the company's property. Attor-



Bankruptcy attorney David Merrill with Symmetrical Stair owner Al Cheponis at the company's Pompano Beach facility.

MARK FREERKS

## SYMMETRICAL STAIR

Owner: Al Cheponis

Web site: [www.symmetricalstair.com](http://www.symmetricalstair.com)

Address: 2119 Park Central Blvd. N., Pompano Beach 33064

Phone: (954) 974-7879

would have been better off liquidating and shutting down."

He said Rex Lumber supplies many staircase builders, and the ones in Florida and New Jersey were the hardest hit.

The *Business Journal* reported in 2004 that Symmetrical Stair was a behind-the-scenes player in the world of roaring real estate markets, with revenue of about \$10 million.

The company produces one main product: staircases. But, that includes curved, straight, spiral, flared, L-shaped and irregular-shaped ones – just about any other configuration that a client could want.

"It was tough getting started 10 years ago," Cheponis told the *Business Journal* at the

time. "I couldn't even get a bank account when I started out, much less a loan."

In 2004, the company had a 55,000-square-foot manufacturing facility in Pompano Beach.

In a sworn affidavit, Cheponis said creditors could have received nothing if the plan was not confirmed because the bank had a lien on all the assets.

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**'MOST [VENDORS] voted for this reorganization plan because ... they have a chance to do business with this company in the future.'**

David Merrill | Bankruptcy attorney

neys said the company found some new financing to reemerge from Chapter 11. U.S. Bankruptcy Judge Paul Hyman Jr. is overseeing the case.

Not all the unsecured creditors voted for the reorganization.

Michael Abreu, credit manager at Rex Lumber Co. in Massachusetts, said he has little confidence the housing market in Florida will recover fast enough to make the reorganization successful.

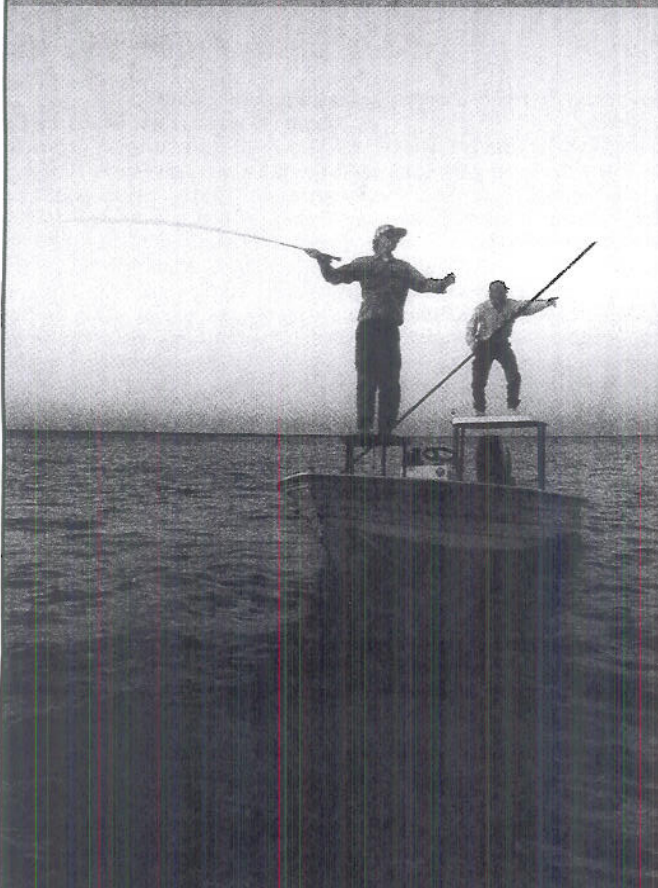
"Under this plan, we'd get \$14 a month, starting in month 63. That's in five years," Abreu said. "Looking at the economy in Florida, how are they going to make it? They

## CORRECTION

An incorrect photo of Susan Amat was used in the Feb. 12 issue with the article titled "South Florida universities put focus on entrepreneurship."

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