

Multistate Deal Required Military-Style Precision

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Angelo & Banta

In the end, coordinating the closing of a record-setting, multistate, 4,200-unit rental home deal took the precision of a military campaign—at a lightning pace.

The \$402 million transaction involved the acquisition of Stamford, Connecticut-based Building Land and Technology's rental home portfolio of properties in Illinois, Indiana, Mississippi, Missouri, Kansas and Tennessee, plus 387 single-family homes in Florida. It was identified as the "industry's largest bulk purchase" in 2015.

The buyer, a Delaware-based affiliate of private equity firm Cerberus Capital Management LP, brought Angelo & Banta in to negotiate the purchase contract. It was, for the seller, a liquidation sale, following the sale of 1,385 homes to Tricon Capital Group Inc. earlier in the year. It sold about 1,400 Atlanta properties to Blackstone in 2013.

Angelo & Banta got involved while it was still in the competitive bidding process.

"That was complex in terms of that aspect of things, with a lot of moving parts," said Tom Angelo, managing shareholder at the Fort Lauderdale law firm.

But contract talks moved fast, concluding in just three weeks.

"It was a hot deal," Angelo said, "and there were deadlines the seller had set in terms of getting things done."

The real test, though, came after that, with the gargantuan, breakneck rush to pull together all the elements necessary to meet a 60-day closing deadline.

"That was a real challenge, because we had to coordinate all of the components," Angelo said, including "gathering all of the information in all of those states, and putting together a team of local counsel in all those states to assist us with getting the transaction closed."

It also meant gathering all the information needed for each of the units involved and creating spreadsheets for all the data, he said, including the status of title, tax liens, municipal liens and homeowners associations in places as diverse as Indianapolis, St. Louis, Chicago, and Memphis.

"A lot of these properties were in homeowners associations, so you have to deal with homeowners associations in the various counties and various municipalities," he said. "So that was a real challenge—herding all of that together and making sure we weren't missing anything in order to meet the closing deadline."

The purchase helped make Cerberus one of the top 10 owners of U.S. houses in the institutional rental industry. Making it happen involved a team effort at the Fort Lauderdale firm.

"I led the negotiations on the contract and Gavin [Banta] helped me put the team together, in terms of the implementation of and the coordination with the various local counsel," Angelo said. "It was quite a challenge, but it was fun. A lot of fun."

Ultimately, he said, "it's all about organization."