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Real World Offices

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Property Markets

A10 Seeks to Buy Notes, Provide Workout Advisory Services

The solutions group of **A10 Capital**, a Boise-based advisory company, has raised \$115 million to buy commercial property notes and sub-performing loans. It is also seeking to advise small banks in the Western U.S. and the New York tri-state area on loan workouts and originate non-traditional loans.

"A few years ago [the company's management] predicted that there would be some kind of correction," said **Jerry Dunn**, ceo. "With that idea in mind they went out and raised some money. We've been patiently operating our business in this environment and we're just starting now in putting out some of our money."

The group is targeting the acquisition and origination of loan and notes of \$2 million to \$7 million. It will also provide financing to buyers of real estate-owned properties and accept banks' sub-performing loans on a referral basis. On the advisory side, A10 is offering consulting on loan workouts, asset management real estate owned properties, loan monitoring and loan sale advisory services.

"It could be [that] a bank's made a construction loan on an office building," said **Dale Conder**, chief operating officer. "They've had a period of time here to get lease-up established, lease-up has not gone as hoped and the debt service coverage is 1 to 1 or .9 to 1. That's just not a loan the banks can keep on their books." Conder, who is heading the group, worked out distressed debt following the savings & loan crisis as head of **Keybank's** Western Asset Recovery Group.