



**PROFILE:** Dr. James Sublett has turned allergy practice into growing ventures | P16

\$2.25 | VOL. 27, NO. 12

OCT. 29, 2010

BusinessFirstofLouisville.com



**CHANGING HANDS:**

National City Tower reportedly is getting a new owner | P27

**MAKEOVER, THE SEQUEL:**

Elite Homes builds second project for 'Extreme Makeover: Home Edition' | P3



**SNAPSHOT:**

Entrepreneur has built a solid business remanufacturing Vogt Ice machines | P11

**CLEANING UP:**

TARC wins \$9 million in federal grants for green buses, Union Station upgrade | P4

**INSIDE**

BUSINESS LEADS	21-24
CORPORATE CARING	20
DATEBOOK	13
IN BRIEF	8
THE LIST	14-15
ON THE MOVE	18
OPINION	31
STRATEGIES	11

## Ford supplier could add 136 jobs at Indian Trail plant

BY JOHN R. KARMAN III | STAFF WRITER  
jkarman@bizjournals.com

Another Ford Motor Co. supplier is looking to beef up its presence in Louisville, possibly bringing as many as 136 new jobs to the city.

Faurecia Exhaust Systems Inc., which operates a 120,000-square-foot plant at 4415 E. Indian Trail, is considering an expansion of that operation, which currently employs 169 people.

The new jobs would create nearly \$5 million in annual payroll. The average hourly wage would be \$21.

Faurecia Exhaust Systems, a division of the French company Faurecia Group, announced plans for its potential expansion project during an Oct. 28 meeting of the Kentucky Economic Development Finance Authority in Frankfort.

The KEDFA board granted the auto supplier preliminary approval

for \$2.5 million in state tax incentives for up to 10 years.

Faurecia's proposal is another sign that automotive suppliers are continuing to explore strengthening their presence in the local market as Ford prepares to retool its Louisville Assembly Plant on Fern Valley Road for smaller-platform vehicles than the Ford Explorer, which will no longer be made here.

For instance, Dana Driveshaft

Manufacturing LLC also is considering an expansion of its Westport Road plant.

**Faurecia also considering Ohio, Indiana**

Faurecia's plans call for the addition of 5,500 square feet of production space to its facility, which it owns, according to the company's

FAURECIA | P27



Real estate brokers Reed Weinberg, left, and Fred Sutterlin, principals with PRG Investments, are shown at The Oaks at Riverpoint apartment complex. See the story on their efforts with distressed properties on page 28.

RON BATH | BUSINESS FIRST

## Finding opportunity

Local real estate firms carve out a niche working with distressed properties

Few industries have been hurt by the recession as much as commercial real estate.

In Louisville, some developers face foreclosure lawsuits or have defaulted on bank loans.

Brokers see little interest from companies in leasing new space. And job cuts by employers have left real estate management firms with fewer contracts for their services.

Nationally, the picture also remains poor. The Washington, D.C.-based Mortgage Bankers Association in a 2009 survey found that 13.2 percent of all mortgages in the United States were delinquent in some way.

Of that number, 8.9 percent were in default (30 or more days late), and 4.3 percent were in foreclosure.

That translates to millions of distressed

properties — commercial and residential — across the country.

But companies are finding ways to benefit from troubled real estate.

Developer John Hollenbach, for instance, has formed a partnership that plans to revive the stalled Glenview Springs residential project. (For more on that effort, see the story at right.)

PRG Investments has carved out a niche by selling distressed properties for banks. And PMR Cos. LLC is addressing an urgent need — managing troubled assets for the courts and lenders.

Business First looks at these companies' efforts in this week's edition. Stories about Hollenbach, PRG and PMR appear on pages 28 and 29.

— JOHN R. KARMAN III

## Hollenbach-led group to try to revive troubled Glenview Springs

BY JOHN R. KARMAN III | STAFF WRITER  
jkarman@bizjournals.com

Four years ago, when residential developer Steve Cox started work on his upscale Glenview Springs project off Lime Kiln Lane, he had high hopes for the proposed 63-home development.

But a combination of poor market conditions and the developer's mounting legal and financial woes stopped the multimillion-dollar project before it ever really started, leaving Cox's lender, Elizabethtown, Ky.-based First Federal Savings Bank, looking for a new beginning.

To kick-start the distressed property, First Federal has contracted with Louisville commercial real estate developer John Hollenbach to rebrand Glenview Springs, manage it, market it and sell lots.

In turn, Hollenbach, whose projects include Blankenbaker Station Business Park in eastern Jefferson County, has tapped Colin Underhill to promote the residential property.

Underhill is best known for successfully marketing and leasing Westport Village, a commercial center that his family's business developed at Herr Lane and Westport Road.

First Federal CEO Keith Johnson is hopeful that the combination can revive the Lime Kiln project. "It could be a good indicator, if we see it take off, that the economy could be improving," he said.

Hollenbach's work with Glenview Springs also is an example of how some local real estate profes-

GLENVIEW | P30



Hollenbach



Underhill

Subscribe to Business First!

Call (502) 583-1731 or go online at BusinessFirstofLouisville.com and click Services.



**INSIDE: GOOD NEWS IN A TOUGH ECONOMY**

The 2010 Fast 50 special publication highlights successes of the Louisville area's fastest-growing privately held companies. Stories in the publication describe strategies and risks taken by these companies to weather the storm of the recession.

Go to BusinessFirstofLouisville.com to see photos from the Fast 50 luncheon, held Wednesday, Oct. 27.



# PRG Investments finds niche selling properties for banks

BY JOHN R. KARMAN III | STAFF WRITER  
jkarman@bizjournals.com

Fred Sutterlin and Reed Weinberg had heard the news reports about the difficulties of getting commercial real estate deals done during the recession.

They just chose not to believe them.

It took a day of brainstorming at their offices on Breckinridge Lane in Hikes Point, but the partners in the local real estate brokerage firm PRG Investments hit on a strategy in early 2009 that is helping them not only survive during the downturn, but thrive.

The plan called for the partners to aggressively target area banks that were having to deal increasingly with distressed properties and bad loans.

They had relationships with some bankers, they said. They also had established a network of buyers interested in investing in commercial real estate at the right price.

Sutterlin and Weinberg thought they could put the two together.

So they began actively seeking out banks' special assets officers and loan officers, offering assistance in selling their bank's troubled properties. Their overtures, Sutterlin said, have been well-received.

"Everybody was talking about how deals couldn't get done," he recalled. "We believed there was an opportunity in all this chaos. We just decided that day (to) call every banker we know and stay in front of them. We ... started pounding the pavement, meeting with banks."

## Eight deals in past year

Their efforts are paying off.



Fred Sutterlin, left, and Reed Weinberg sold the The Oaks at Riverpoint apartment complex for Fifth Third Bank.

RON BATH | BUSINESS FIRST

In the past 12 months, PRG has brokered eight sales of distressed properties totaling more than \$4.5 million, according to Sutterlin. The firm has three more deals in the pipeline with a total value of nearly \$1.6 million, he said.

To date, PRG has assisted five area banks, Weinberg said. The firm has brokered the sales of a variety of properties, including apartment buildings, retail centers and offices.

In some cases, banks had started foreclosure proceedings against the property owners. In others, the lender had reached an agreement to take deed to the property in lieu of starting foreclosure proceedings.

"We often have to kind of mediate toward a solution," said Sutterlin, who is an attorney

in addition to being a commercial real estate broker.

## Jeffersonville apartment complex among properties sold

Among the properties PRG has sold is The Oaks at Riverpoint, a 15-unit apartment complex in Jeffersonville.

Developers Tom English, Dan English and Kevin Gardner had attempted to convert the former motel and lounge into condominiums, but the project failed and Fifth Third Bank took deed to the property.

It was purchased by an Evansville, Ind., physician for \$725,000.

## 'Masters of stick-to-itiveness'

David Aikens, a vice president at Fifth

Third, has worked with Sutterlin and Weinberg on the sale of two properties.

While he declined to discuss specific deals, he described the PRG partners as "tenacious" in their efforts to find buyers and put together transactions despite a variety of difficulties.

They are "masters of stick-to-itiveness," Aikens said, adding that the partners are "tapped into the local marketplace" and have a ready list of active buyers.

He noted that Sutterlin's skills as an attorney serve him well when facing the sometimes difficult legal obstacles that come with complex real estate deals.

## Out-of-town investors looking at Louisville

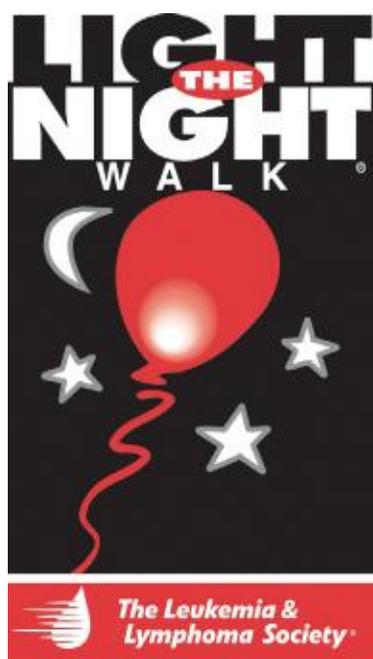
In addition to working with lenders to sell troubled assets, PRG has managed residential and commercial properties for banks through a joint venture with Louisville-based AllTrade Service Solutions LLC.

The firm also offers consulting services to lenders, providing counsel about the market for a given property.

Though he declined to provide sales figures for the company, Sutterlin said transactions involving distressed properties will be "a very meaningful portion of our top-line revenue" for 2010.

"We're not seeing any sort of slowdown," Weinberg said. "I think there's more than enough capital out there — a lot of it from out of state. They're looking into (smaller) markets like Louisville to place dollars."

"A lot of people are disenfranchised with the volatility of the stock market and see real estate as a good alternative (way) to diversify," Sutterlin added. "They can see it, touch it and feel it." |



The Leukemia & Lymphoma Society

## Special thanks to the individuals and businesses who made the 2010 Light The Night Walk a huge success!



### Event Chairs:

#### Rick Robey

RE/MAX Associates  
Robey Malone Farrar Team

#### Billy Reed

Hall of Fame Journalist &  
Leukemia Survivor

**\$425,000+ Raised!**

