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VALCON 2023

Expert Outtakes: The Latest on the Economy, Distress and Valuation Within the Automotive, Real Estate and Health Care Industries

Real Estate

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Expert Outtakes: The Latest on the Economy, Distress and Valuation in Real Estate

May 1 – 3, 2023 | New Orleans



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Overview

- Pandemic was an accelerant for inevitable market forces
- A tale of two economies – residential v. commercial
- Return to office dynamics
- Foreclosure surging among urban offices
- Current environment impact on valuation metrics
- Future outlook – areas of focus

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Intro to Pandemic Ironies

- No one seriously doubted the impact of the so-called “gig-economy” and its likely long-term impact on the global economy
 - Most senior managers, however, never expected those impacts to occur on their watch
 - Rather, they expected that the e-commerce would slowly disrupt traditional brick and mortar retail and that in-person business meetings and negotiations would continue to be the preferred method of transacting over virtual interactions
- The pandemic accelerated these dynamics beyond imagination
- In addition, the pandemic simultaneously caused suburban, even rural, residential communities to spike in price
 - Much commercial real estate suffered—retail, hospitality and office
 - But some bright spots remained—warehouse and logistics thrived as the economy shifted violently to e-commerce solutions

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Return to Office Dynamics

- “Normal” (think 2019) office occupancy levels consistently hovered between 80 and 100% depending on day of the week and time of year:
 - Fridays in Manhattan during the warm weather months tend to be low occupancy periods
 - Typical spring break weeks and August are low occupancy periods everywhere
- Office occupancy levels suffered severe dips down in the 20% zone during the lockdown periods of 2020
- “Post-pandemic” (if there is such a thing) were around 50% on average across 10 metropolitan areas from Philadelphia (lowest) to Austin (highest) in March 2023
 - “Red” states tend to have higher occupancy rates than “blue” states
 - All office occupancy levels are well off pre-pandemic averages

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U-Haul Growth States of 2022: Texas, Florida Top List Again

Texas, Florida and the Carolinas were the preferred destinations of one-way U-Haul® truck customers during 2022, ranking as the top growth states on the annual U-Haul Growth Index. U-Haul transactional data confirms that migration to the Southeast and Southwest U.S. – trends that were amplified and accelerated during the pandemic – continued through last year, although overall DIY moves slowed slightly in most states from the record-breaking number of moves in 2021.

Demand for equipment out of California, Illinois and New York remained strong in 2022, as more people opted to leave areas of the West Coast, Northeast and Midwest. California and Illinois ranked 50th and 49th, respectively, on the U-Haul Growth Index for the third consecutive year, meaning those states saw the greatest net losses of one-way U-Haul trucks.

2022 U-Haul Growth States

1. TEXAS (1)	7. ARIZONA (5)
2. FLORIDA (2)	8. GEORGIA (23)
3. SOUTH CAROLINA (4)	9. OHIO (24)
4. NORTH CAROLINA (19)	10. IDAHO (9)
5. VIRGINIA (31)	11. COLORADO (7)
6. TENNESSEE (3)	12. UTAH (28)

Where can workforce and businesses
“Outrun Inflation” and AFFORD to live
and attract Workforce?

- South (TX, FL, Carolinas, VA)
- Inner-Mountain (UT, CO)

U-Haul Growth States of 2022: Texas, Florida Top List Again | U-Haul (uhaul.com)



Foreclosure Surging among Urban Offices

- Of the almost \$3 trillion commercial mortgages, half need to be renegotiated/refinanced by the end of 2025
 - Smaller banks hold almost 80% of those commercial mortgages
 - Valuations may fall as much as 40% from peak values, according to reporting by Bloomberg
- Blue-chip borrowers are the subject of foreclosures:
 - Brookfield Asset Management just defaulted on a \$750M mortgage on 777 South Figueroa and another office tower in Downtown Los Angeles
 - Columbia Property Trust, purchased in late 2021 at an almost \$4B valuation, has defaulted on \$1.7B or, over 43%, of its portfolio
 - A March 2023 \$563M default in a portfolio of properties owned by parent Blackstone, Inc. dragged its per share price by 1.6%
- In late March 2023, Brookfield DTLA Fund Office Trust Investor, owner of 7.6 million square feet of office space in Downtown Los Angeles, closed under \$2 per share, near de-listing metrics

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Current Environment Impact on Valuation Metrics

- Fact-finders are beginning to use higher capitalization/discount rates to account for riskier commercial real estate environment
 - Debtors may have greater credibility in proving the impact of COVID-19 and other related environmental impacts (return to office/flight from urban areas) on this key valuation metric
 - Some lenders have unsuccessfully contended that COVID-19 did not fundamentally change underlying real estate values, but the markets do not agree (so far)
 - The Federal Reserve's strategy regarding inflation and interest rates also has a direct impact on calculation of capitalization/discount rates
- Debtors and Lenders may also argue about the "highest and best use" of a building
 - Many publicly traded property owners, like SL Green, the largest owner of office space in Manhattan have confirmed that they are exploring possible conversions of office space to residential uses
 - Different uses of a property have an immense impact on value

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Future Outlook – Areas of Focus

- Is the COVID-19 hangover permanent or temporary?
- Can landlords successfully repurpose office space?
- Are we headed back to an era of double-digit mortgage rates like the 1990's?
- Will regional and large banks be impacted?
- How will local tax bases be affected?

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Dykema Gossett PLLC 2023 Automotive Trends Survey HIGHLIGHTS

Top Legal Issues Driving the Automotive Industry

Presented by Sheryl Toby

California ■ Illinois ■ Michigan ■ Minnesota ■ Texas ■ Washington, D.C. ■ Wisconsin

dykema.com

The Auto Industry Is Evolving

For Dykema's 2023 Automotive Trends Report, we polled original equipment manufacturers, suppliers, decision makers, senior executives, and other thought leaders across the automotive space to gather their insights on the major legal trends driving the industry forward this year and beyond.

[CLICK HERE FOR LINK TO DYKEMA AUTOMOTIVE TRENDS SURVEY](#)



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Which supply chain challenges will have the greatest impact on the auto industry in 2023?

81% Shortages of parts and raw materials	63% Shortages of labor	79% Increased costs (e.g., raw materials, transportation, labor)
37% Financial distress of customers or suppliers	28% Unexpected fluctuations in customer quantity demands	27% Effects of geopolitical events (e.g., wars)
16% Efforts to near-shore supply chain	6% Lack of sufficient warehousing	5% Effects of extreme weather events

Supply Chain Remains Challenged

Consistent with our report's findings, we anticipate that pandemic-era supply chain disruptions will continue throughout 2023. Our respondents see this as a multifaceted issue that they expect will live on through shortages of both raw materials (81%) and labor (63%).



A Focus on Costs and Transparency

Increased costs—of labor, transportation, and raw materials—were viewed by 79% of our respondents as having an outsized impact on the supply chain in 2023.

We expect to see the industry employ more creative contracting concepts this year to address these rising costs such as:

- volume and index-based pricing
- pricing escalation clauses
- cost-sharing terms
- other provisions that offer more flexibility, sometimes tied to cost transparency

As automakers and suppliers continue to focus on transparency in their supply chains, we'll likely see more revisions to audit and tracking provisions, force majeure clauses, and termination rights and notices in contracts.



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What are the top litigation risks facing the auto industry in 2023?

51% Litigation arising from new electric and autonomous technologies	46% Supply chain litigation between customers and suppliers	43% Recall and warranty cost-recovery litigation
32% Intellectual property disputes arising from new electric and autonomous technologies and trade secrets	32% Increases in class action suits	28% Higher jury awards due to public distrust of corporations
16% High jury awards due to younger jury pools		



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Risk and Litigation

As shortages in raw materials, parts, and labor linger, almost 46% of our respondents believe that supply chain litigation between customers and suppliers will be a key issue this year.

- Patent litigation also is on the rise. With vehicles becoming what are essentially computers on wheels—complete with cutting-edge technologies—over 32% of our respondents agree that possible patent infringement litigation is an increasing risk.
- As these new technologies take hold, respondents envision that there might be a ramp up of recalls and warranty cost-recovery litigation (43%) and class action litigation (32%).



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What are the top labor and employment concerns in the auto industry for 2023?

77%	33%	30%
Employee demands to work remotely post-pandemic	Department of Labor's proposed changes to the definition of "joint employer"	Increased federal protection for employees in non-unionized workspaces
26%	23%	19%
Employment implications of state legalization of recreational cannabis use	Salary increase for white-collar overtime exemption	Restrictive clauses involving noncompetes and trade secret misappropriation



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Employees (Still) Have the Power

As the pandemic has waxed and waned over the past three years, one of the constants has been the paradigm shift that is remote work.

- When asked about the top labor and employment concerns 77% cited employee demands to continue working from home—more than double any other response.
- Automakers and suppliers looking to attract and retain top talent are those who acknowledge this transformation by accommodating the needs of their employees.

Which legal issues are most likely to lead to financial distress in the auto industry in 2023?

73% Increased costs (e.g., raw materials, transportation, labor)	71% Economic and inflationary pressures	65% Supply chain disruptions
40% Decreased consumer demand	22% Effects of geopolitical unrest	20% Insufficient financing options
18% Decline in future product forecasts and offerings	10% Lack of internal source controls or financial mismanagement	3% Effects of extreme weather events

Financial Distress

As costs skyrocket and fears of an economic decline heighten, the automotive industry anticipates it will have its plate full with financial distress challenges in the year ahead.

Our report identifies three primary challenges driving this uncertainty:

- supply chain disruptions (65%);
- economic and inflationary pressures (71%); and
- increased costs of raw materials, transportation, and labor (73%)

Commentary:

- The industry as a whole has transformed and consolidated and thus this is no longer similar to distress in decades past (Mid 80's- 90's or 2008)
- For companies trying to stay ahead of the curve, cost-cutting initiatives, best procurement practices, and sales and collection efforts will continue to be pressure points.



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Which government regulations will have the greatest influence on the auto industry in 2023?

63%	57%	51%
Federal interest rate hikes	Electric vehicle purchase and production tax incentives and credits	Stricter fuel efficiency standards
51%	32%	29%
Stricter greenhouse gas emission standards	Stricter rules of origin requirements	Increased NHTSA implementation of safety regulations and related penalties
24%	24%	23%
Legislation providing incentives for semiconductor chip manufacturing in the United States	Increased NHTSA focus on emerging automation technologies	Continued fallout from Russian sanctions
19%		
Increased NHTSA focus on improving motor vehicle cybersecurity		



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GOVERNMENT REGULATIONS

Divided government in Washington likely means a shift from the more active legislative agenda we've seen recently to a greater reliance on Congressional oversight and regulatory action.

Combating inflation remains a top concern for our respondents, as 63% view interest rate hikes as the federal government's most influential instrument affecting the automotive industry.

Cybersecurity

What are the top cybersecurity risks facing the auto industry in 2023?

80%	45%	35%
Ransomware and extortion tactics	Use of archaic software and legacy components	Hijacking sensors (and AI) in autonomous vehicles
27%	23%	21%
Inadequate software diagnostic and traceability functions	Vulnerabilities in GPS trackers (exposing fuel supply, control, and location)	Consumer knowledge gaps causing slower adoption rates

Environmental, Social, and Governance

How will increased focus on ESG issues influence the auto industry in 2023?

52%	49%	46%
More ED&I initiatives	Greater investment in green mobility projects	Increased scrutiny on ESG factors in transactions
38%	38%	16%
SEC's proposed rule requiring disclosure of greenhouse gas emissions in financial statements	Demand for ethical and traceable supply chains	Impact of Supreme Court's "major question doctrine" on EPA and SEC
16%		
Federal enforcement of corporate greenwashing authority		

Intellectual Property

Which of the following will have the greatest impact on IP strategies for the auto industry in 2023?

67%	39%	60%
Development of faster-charging, longer-lasting batteries	Top automakers pledge to phase out gas-powered vehicles	Development of quick-charging public stations and roadway charging infrastructure
13%	16%	20%
Consumer interest in vehicle control systems	Inventorship challenges where an automotive AI system generates a portion of an invention	Increased research in thermal management technology
36%		
Patent-eligibility challenges related to new innovations (e.g., AI autonomous software)		

Electric Vehicles

Which of the following legal trends will have the greatest impact on the electric vehicle space in 2023?

56%	55%	53%
EV battery production creating supply chain and sustainability issues	Rise in subsidies and tax incentives for EV production	Tax incentives for EV charging infrastructure
43%	34%	33%
Improved public charging infrastructure creating ownership and jurisdictional issues	Compliance with federal fuel efficiency and greenhouse gas emission standards	Federal funding for EV technology research and development
25%		
Increase in patents for EV battery technology		

Autonomous Vehicles

Which of the following legal trends will have the greatest impact on autonomous vehicles and Advanced Driver Assistance Systems (ADAS) in 2023?

60%	54%	50%
Potential legislation and litigation risks around driver responsibility and collision liability	Continued supply chain issues and their effects on ADAS technologies (e.g., shortage of semiconductor microchips)	Stricter safety standard requirements around impaired or distracted driving prevention
48%	32%	
Increased scrutiny around the collection and storage of electronic data	Industry-wide focus on the scalability and profitability of autonomous vehicles	

Dykema's Automotive Industry Group

"Best known for its strong reputation and depth of experience in the automotive industry" and ranked among the top seven national firms for automotive litigation (Legal 500 US), Dykema is a go-to firm for automotive legal counseling. From our coast-to-coast network of offices, we guide an international roster of automotive clients through complex legal challenges, helping to achieve business success.



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VALCON 2023

May 1 – 3
New Orleans, LA

Presented by Suzanne Koenig, CEO & Founder

Forward.

SAK HEALTHCARE >

Post-COVID Labor Issues

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Staffing and Labor Issues

- Short Term/Long Term/Permanent
 - Pre-Covid issues now more pronounced and sped up the inevitable
 - Lack of automation and low use of technology/AI
 - Very labor dependent delivery model
 - Many low skilled positions
 - Costly and inefficient delivery model
 - Talent shortages for various reasons
 - Competition for some positions is not in industry

Forward.



Staffing and Labor Issues

- Short Term/Long Term/Permanent (cont'd)
 - Health care providers are being forced to limit capacity and cancel elective procedures because of issues with respect to availability and capacity of hospital staff, including:
 - Nurses and other clinical positions – waiting to take a shift for more money, leaving for contract labor or higher paying positions
 - In some markets, lower paid clinical and back office are leaving to join restaurant or manufacturing industry for higher total rewards and less risk
 - No per diem talent available
 - Drawing unemployment benefits \$\$\$
 - Child care issues
 - Burnout and earlier retirements/exits
 - Fear/Risks from COVID
 - Employer vaccination requirements

Forward.



Risks and Stressors

Forward.



Risks and Stressors

- SNFs & Assisted-Living Facilities
 - Current Status
 - Although serving the most vulnerable population in the COVID outbreak, skilled nursing and assisted-living facilities have been the forgotten stepchildren.
 - Industry census has fallen roughly 10% from late 2019 to early May 2020.
 - Census & Revenue
 - Fair stimulus packages have helped temporarily
 - Cessation of hospital elective procedures have hurt census in downstream referrals
 - Virus has devastated facilities in reputational, financial, and human terms
 - COVID residents convert to Medicare eligible
 - Expenses
 - The race for Personal Protective Equipment – expensive, hard-to-find, consumption grows
 - Employee hazard pay for those having direct COVID exposure

Forward.



Risks and Stressors (cont'd)

- Pipeline of talent coming into the Health care industry is down
 - CNA candidate pool behaviorally unstable and poor quality
 - CNA credentialing/testing failure rate very high
 - Concern about risks from COVID and vaccine adverse
 - Field is too demanding
 - Skilled workers make 2X plus in bio pharma
- Vaccine requirements
 - Not all health systems mandating – united front?
 - When presented with deadlines, most employees have complied or moved to another system/industry
 - Unions fighting requirement

Forward.



Solutions

- Complete rehaul of care delivery model – people, process, technology
- Elevation of labor positions and responsibilities/agility
- Pay and Rewards will have to be addressed
- New value proposition on Mission
- Government intervention/progression towards Socialized medicine
- Government funding for financial shortage and/or transitioned to individual payors?
- Advocacy
- More mergers/economies
- National Guard involvement
- Foreign providers

Forward.



Healthcare Receiverships

Forward.



General Overview

- A request for an appointment of a receiver is a remedy that may be exercised by a lender upon default
- What does a receivership look like in a healthcare setting?
 - Receivership involves a healthcare business with a real property component (e.g. SNFs, ALFs)
 - Often sought by lenders as part of a foreclosure process
 - May have specific loan document provisions regarding such a process
 - Typically, a lender wants to transition the business to a new operator or sell the operations and real estate through a sale process.
 - The Receiver takes control of the property and related businesses pending foreclosure and/or sale

Forward.



General Overview (cont'd)

- Receivers can be appointed in state or federal court
 - Receiverships work differently from state to state
 - Federal Court receiverships can include properties/operations in multiple states
- The “Receivership Estate”
 - Includes all assets to be preserved for the benefit of all creditors
 - Liable only for debts incurred after receiver’s appointment
 - Pre-existing debts
 - May be paid to “critical vendors”
 - Otherwise paid at the conclusion of the receivership if there are available funds for distribution on account of such debts

Forward.



Benefits of Healthcare Receiverships

- Receivership is often a better option for addressing industry risks than bankruptcy
 - Cost-effective process
 - Establishes Receivership Estate, alleviating the need to service pre-receivership debts
 - All assets preserved for the benefit of all creditors
 - Can preserve or realize value in a default situation
- Receivership allows for orderly transition to a new operator or to tee-up a sale
 - Without displacing residents
 - Without disrupting patient care
 - Without jeopardizing licenses
 - Allows time for a new operator to obtain new licenses

Forward.



Benefits of Healthcare Receiverships (cont'd)

- Duties and rights of Receiver specified by court order
 - Receiver oversees operations and is responsible for stabilizing and improving the business during the transition from old operator to new owner
 - Receiver manages business and property until foreclosure or sale process is resolved via new lease or sale/transition to a third party
 - Receiver can enter into an interim management agreement pending transition to permanent new operation

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SAK HEALTHCARE >



WEBINAR: STATE OF THE SENIOR CARE MARKET
MAY 2023





Let's Discuss
The state of the Seniors Housing and Skilled Nursing market in 2023 in the face of steep industry challenges and future opportunities.

Our Why
is to empower our owners to make the best decisions for their future in this new environment and understand the risk of operating in the near future.



Jeremy Stroiman
CEO
Denver, CO



 **EVANS SENIOR**
INVESTMENTS

MARKET OUTLOOK – 2023 & BEYOND



DEBT MARKET HAS CHANGED

ERA OF EASY MONEY OVER

- The Federal Reserve has aggressively raised rates this past year, increasing benchmark **interest rates by 475 basis points via 9 rates hikes** since last year.
- The SOFR benchmark interest rate (a replacement for LIBOR), **has increased to 4.75% from near zero in March 2022**, massively increasing borrowing costs.
- The Fed has signaled that they will continue with rate hikes until inflation has been tamed – **they expect to raise the Federal Funds rate to 5.25%.**
- **Refinancing will be extremely more expensive and difficult in the future.**

0.05% ➔ **4.81%**

SOFR RATE (March 2022) SOFR RATE (April 2023)

THE WALL STREET JOURNAL

Fed on Track for Another Large Interest-Rate Hike After Jobs Report

Officials are trying to prevent wage pressures from sustaining higher inflation

Bloomberg

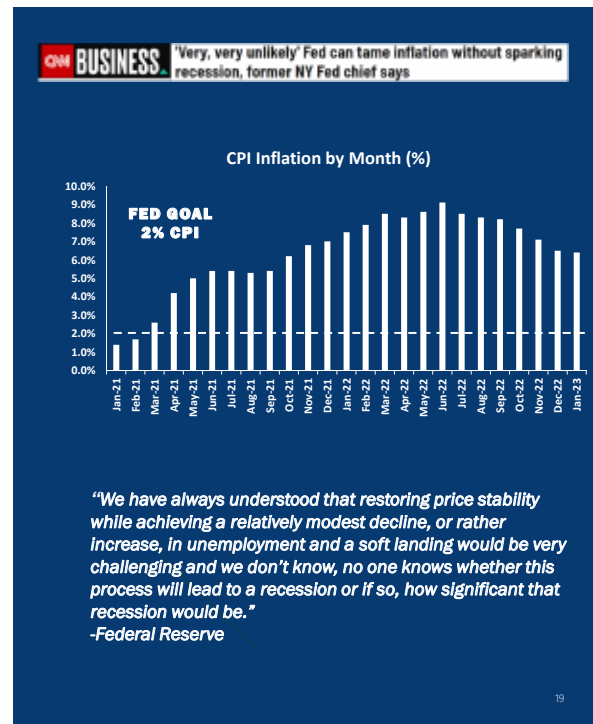
US Mortgage Rates Rise for Seventh Week to Highest in 16 Years

"In particular, the staff noted that measures of valuations in both residential and commercial property markets remained high, and that the potential for large declines in property prices remained greater than usual."

-Federal Reserve Feb. 2023 Meeting Minutes

INFLATION PERSISTS FED VOWS TO LOWER INFLATION

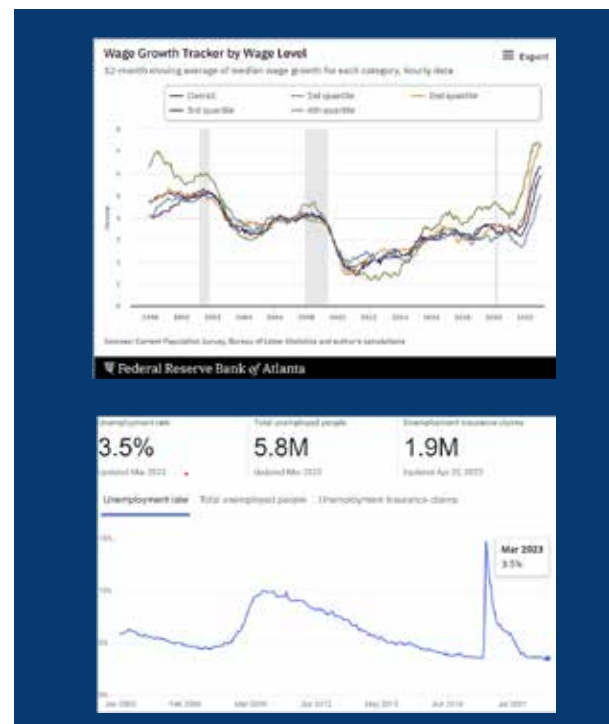
- March 2023 inflation was recorded at **5.0%**, marking **18 straight months at or above 5%**.
- The CPI inflation rate has been above 2%, the Fed's stated goal, for **26 straight months**.
- Food inflation is up 10.1% YoY, Energy inflation is up 8.7% YoY, and Housekeeping Supplies inflation is up 11.3%.**
- The Fed has historically been **very unsuccessful** in rapidly raising interest rates **without causing a recession**. They basically need to kill demand.
- Slowing inflation doesn't mean prices will go back to where they were a year ago, **only means they will grow slower**.



STAFFING ISSUES PERSIST NO RETURN TO NORMAL

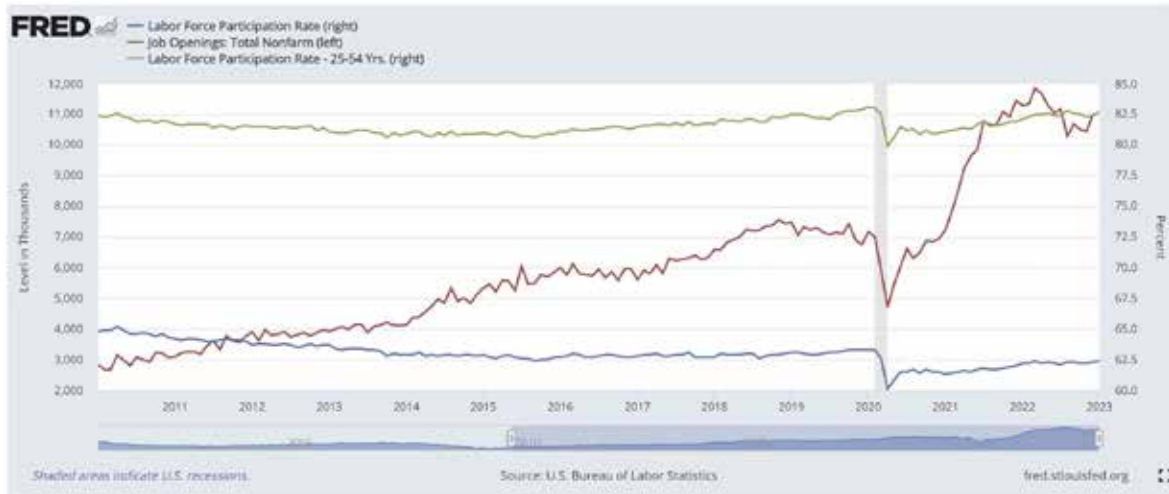
Staffing remains the biggest threat to the industry for the long-term.

- Labor statistics from the Bureau of Labor Statistics find that **approximately 95,000 people have left jobs in the Senior Care sector since the pandemic's start.**
- Other industries are exacerbating staffing issues in the seniors housing space – **movement to \$15 + per hour widespread. Agency are charging up to \$70 per hour for CNAs.**
- Job openings outnumber unemployed workers - **11.0 million job openings vs 5.7 million unemployed people.** As of Feb 18th, **only 2.13 million Americans are utilizing unemployment insurance.**
- Projected need in industry **by 2030 is 1 million new workers**



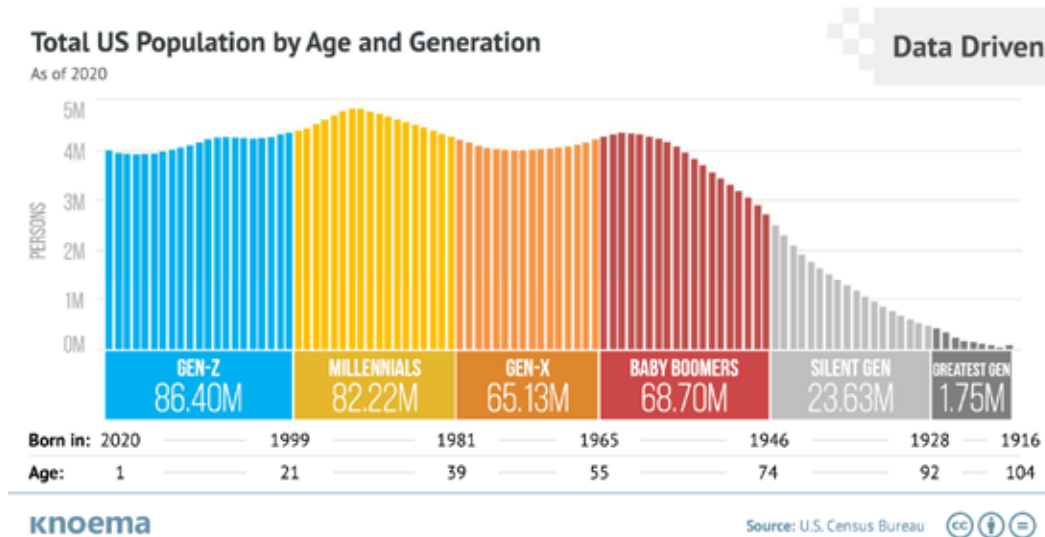
LABOR FORCE CONTINUES TO SHRINK

JOB OPENINGS CONTINUE TO RISE



DEMOGRAPHICS ARE DESTINY

MORE BOOMERS AGING – LESS WORKERS AVAILABLE



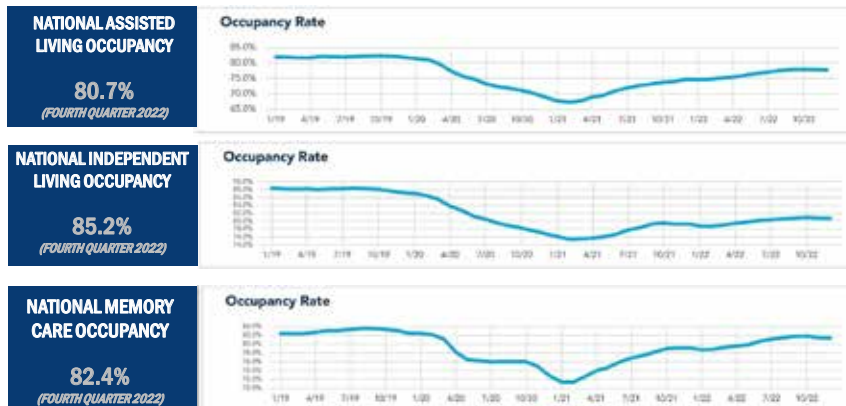


SENIOR LIVING OVERVIEW

NEW INVESTING ENVIRONMENT

OCCUPANCY FLAT NATIONWIDE

ACCELERATION EXPECTED



- What will Seniors want?
- Is this impacting current occupancy?



FOCUS ON REVENUE

OCCUPANCY AND RATE INCREASE ARE THE FUTURE

INDUSTRY OCCUPANCY INCREASING RAPIDLY

- Rising Tide lifts all boats
- Constraints of COVID are over – tours should be consistent
- Occupancy should be stabilizing into 2024

IMPACT:
FULL BUILDINGS MITIGATE
EXPENSE INCREASES

STRONG RENTAL RATE GROWTH

- Marketplace dictates that facilities should be aggressively raising rental rates.
- Institutional groups are averaging 8%
 - Minimal pushback

IMPACT:
RELIEF FROM RISING
COSTS

VALUATION PRESSURE

MORE THAN EVER CASH FLOW IS KING

- Due to **increased debt costs**, buyers will ultimately need a higher rate of return on deals, **creating downward pressure on valuations**
- Today's buyers are **limited** in paying for pro-forma valuations. Need **in-place cash flow** to service debt.
- Buyers still abound for two different deal profiles:
 - Well occupied communities with **stabilized cash-flow**.
 - Value-add deals with a turnaround profile.

AVERAGE INCREASE IN DEBT COSTS:

- **2.0% TO 3.0% + SOFR**
- **60% TO 70% LTV**

INVESTORS WISH LIST:

- **STABILIZED OCCUPANCY / PREDICTABLE CASH FLOW**

OR

- **VALUE-ADD DEALS**

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SKILLED NURSING OVERVIEW

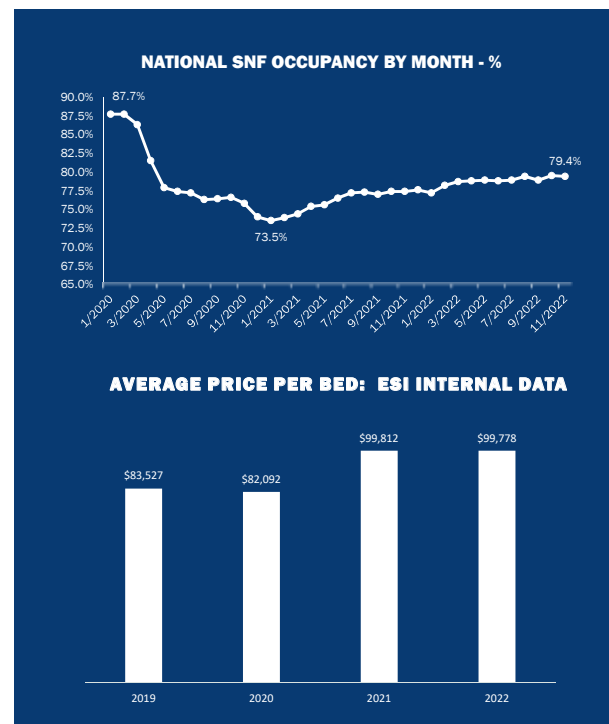
TAILWINDS REMAIN STRONG



OCCUPANCY FLAT NATIONWIDE ACCELERATION EXPECTED

Stoked by the lack of new development and CON laws, acquisition values continue their upward trajectory.

- Based on ESI's internal proprietary data of 800+ communities, skilled nursing facilities have increased **\$17,000 in price per bed values from 2020 to 2022.**
- With inflation at 5.0%,** SNF cap rates remain one of the few real estate plays with room for a **positive real return.**
- There has been little to no pullback in lending so far.**
- Market pricing remains bullish despite **low average industry occupancy of 79%,** as investors are willing to **underwrite full pro-forma occupancy.**



WHY ARE INVESTORS ACQUIRING SKILLED NURSING FACILITIES?

DIFFICULTY FOR INDEPENDENT OWNERS TO STAY AHEAD

Ancillary & Rehab Platform

- Larger Groups Own Pharmacy and Rehab Based Businesses
- Shift to PDPM has been positive

IMPACT:
INCREASED REVENUE TO
ANCILLARY BUSINESS

Increased Access to Medicare Advantage

- Medicare Advantage is expected to continue to grow
- Bigger Platforms allow greater negotiating power with MCOs

IMPACT:
BETTER REIMBURSEMENT
& PAYOR ACCESS

Economies of Scale

- Larger operators use Group Purchasing Organizations to save on supplies, food, and maintenance.
- Have staffing networks available to diminish need for agency staffing

IMPACT:
LOWER COSTS

Management Fee Accreditive

- As operators grow portfolio, the management fee becomes accreditive to bottom line.
- HUD allows all operators to deduct a 5% management fee.

IMPACT:
INCREASED PROFITABILITY



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OUTLOOK
NEW ENVIRONMENT

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HOW WE MARKET DEALS IN TODAY'S DIFFICULT ENVIRONMENT

OUR APPROACH



KEYS TO GETTING DEALS DONE

- Utilize technology to reach best buyers
- Matching operators with capital
- Creating a confidential marketing process

Typically, close in 4 to 6 months



Questions?



GET IN TOUCH

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Faculty

Harold J. Bordwin is a principal and co-president of Keen-Summit Capital Partners LLC in New York and is responsible for all aspects of business development and execution. He focuses on developing and implementing strategic real estate and corporate finance plans for his clients involving real estate analysis, real estate acquisitions and dispositions, lease modifications and terminations, and corporate finance and capital market services. He also is a receiver and provides fiduciary services to his clients. Mr. Bordwin has more than 33 years of real estate advisory and transactional experience, with particular expertise in workouts and restructurings and other special situations. He has represented financial, corporate and retail clients. Mr. Bordwin has testified on real estate restructuring issues before the Judiciary Committee of the United States House of Representatives. He also has been interviewed and quoted in numerous articles for *The Wall Street Journal*, *The New York Times*, *USA Today* and various trade publications. Mr. Bordwin previously was a principal with KPMG LLP and a vice president with Keen Consultants. He is a member of ABI, the American and California Bar Associations, the International Council of Shopping Centers and the Turnaround Management Association, and he holds Series 7, 24, 63 and 79 licenses. Mr. Bordwin received his undergraduate degree in government from Wesleyan University in 1982 and his J.D. from Georgetown University Law Center in 1985, where he was a staff member of *Law & Policy in International Business* and published articles in the *Ecology Law Quarterly* of the University of California at Berkeley Boalt Hall School of Law.

Van C. Durrer, II is a partner with Skadden, Arps, Slate, Meagher & Flom LLP in Los Angeles and regularly represents public and private companies, major secured creditors, official and unofficial committees of unsecured creditors, investors and asset-purchasers in troubled company M&A, financings and restructuring transactions, including out-of-court workouts and formal insolvency proceedings. His representative restructuring and insolvency engagements include Anchor Bancorp Wisconsin Inc. (named as the Restructuring Deal of the Year (over \$250mm to \$500mm) for 2013 by The M&A Advisor); Blue Bird Body Company; Catalyst Paper Corporation (a restructuring that was named Deal of the Year in the Industrial Manufacturing/Distribution (over \$250MM) category at the 5th Annual M&A Advisor's International M&A Awards); Indymac Bancorp, Inc. (chapter 7 trustee); Irish Bank Resolution Corp.; Kmart Corp.; The McClatchy Co.; Quiksilver, Inc. (named as Chapter 11 Reorganization of Year (\$500MM to \$1B) and Distressed M&A Deal of the Year (\$500MM to \$1B) for 2017 by The M&A Advisor, and as one of 2016's Most Successful Restructurings by Turnarounds & Workouts); Spansion Inc.; and US Airways Group, Inc. Mr. Durrer also has advised participants in the financial restructurings of AmericanWest Bank (which received The Turnaround Management Association's 2010 Transaction of the Year award in the midsize company category); Caesars Entertainment Operating Company (which was named Chapter 11 Reorganization of the Year (over \$5B) for 2018 at the 12th Annual Turnaround Awards); Calpine Corp.; Clift Holdings LLC; Golfsmith USA, LLC; Joe's Jeans; LBREP/L-Suncal Master I, LLC; Rdio, Inc.; Relativity Media; The Sports Authority, Inc.; Station Casinos, Inc.; Westinghouse Electric Company LLC (named Distressed M&A Deal of the Year (over \$1B) at the 13th Annual Turnaround Awards); and The Wet Seal, LLC. Mr. Durrer is Board Certified as a Business Bankruptcy Specialist by the American Board of Certification and is a mediator for the U.S. Bankruptcy Court for the Central District of California.

He received his B.A. from Johns Hopkins University in 1990 and his J.D. from the University of Maryland School of Law in 1993.

Suzanne A. Koenig, LNHA, CTP, LSW is president and founder of SAK Management Services, LLC in Riverwoods, Ill., a nationally recognized health care management and consulting services firm, with specific expertise in senior living, skilled nursing and long-term-care facilities. As owner and operator of SAK Healthcare for more than 30 years, she provides assistance in the areas of operations improvement, staff development, business acumen and quality assurance. Having owned senior living facilities herself, Ms. Koenig understands the challenges and opportunities confronting senior living and long-term-care providers in managing the industry's changing dynamics. She has held executive positions in marketing, census development and operations management for both regional and national health care facilities throughout the country working with health care providers, including owners and operators as well as lenders and landlords. She also has held numerous appointments as the receiver, Patient Care Ombudsman and court-appointed fiduciary in several health care state court and bankruptcy filings throughout the U.S. Ms. Koenig is the most frequent court-appointed Patient Care Ombudsman to medical facilities in the country. She also has held management roles with over 1,000 health care facilities nationwide, providing in-house management to restore care and fiscal responsibility while establishing administrative teams to lead each facility in the future. Ms. Koenig received her Bachelor of Social Work degree from the University of Illinois at Urbana-Champaign and her M.S. from Spertus College.

Kevin A. Krakora, CTP is a managing director with Getzler Henrich & Associates LLC in Chicago and leads the firm's automotive industry practice. He has more than 30 years of experience in corporate turnarounds, strategic consulting, financial and operational restructurings, and debtor bankruptcy situations. He also has experience advising both companies and senior lenders in complex debt restructurings and workouts. Mr. Krakora has worked with financially distressed companies to address liquidity issues, improve working capital, develop cost-containment programs, and improve profitability. He has led numerous § 363 sale processes in chapter 11 cases, including business and assets sales in out-of-court situations. Mr. Krakora advises boards of directors and executive management teams regarding strategic alternatives and business plans, assisting in both their development and implementation. He has led negotiations with senior lenders, subordinated lenders, equityholders and acquisition partners, as well as key customers and suppliers on behalf of his clients. He has served as CRO and independent director for companies across numerous industries, including automotive. Beyond representing companies, Mr. Krakora has advised creditors' committees in several high-profile bankruptcies, including AMR Corp. (American Airlines) and UAL Corp. (United Airlines). In addition to being a longtime ABI member, he recently served as president and chair of the Turnaround Management Association. He is a frequent author and speaker on restructurings and distressed M&A. Mr. Krakora received his B.A. in economics from DePauw University and his M.B.A. in finance from the University of Illinois.

Jeremy Stroiman is the CEO and co-owner of Evans Senior Investments in Denver, a brokerage firm he founded with his twin brother Jason in 2009. Focused solely on the long-term-care asset class, ESI has valued more than \$30 billion in skilled nursing and seniors housing assets across the country, and successfully completed more than \$3.5 billion in transactions since its inception. With over a decade of experience in the seniors housing industry, as well as numerous prior positions in sales and

marketing leadership roles, Mr. Stroiman runs ESI's Denver office and is responsible for continuing ESI's presence across the nation. He closed over \$300M in transaction volume last year. Mr. Stroiman received his undergraduate degree in business from Indiana University's Kelley School of Business.

Sheryl L. Toby is a member of Dykema Gossett PLLC in Bloomfield Hills, Mich. In both traditional and advanced technology manufacturing, she works closely with purchasing groups and in-house legal, finance and other business teams to develop effective strategies that address the full spectrum of the supply chain challenges they face daily. As a bankruptcy and restructuring attorney, Ms. Toby has decades of experience as lead counsel in numerous significant bankruptcy cases throughout the country, and is a frequent speaker and media consultant in her fields. She has received multiple awards and was named as one of 38 women in the U.S. to *Euromoney's* "Women in Business Law Expert Guide 2022" for Restructuring and Insolvency, named to *Lawdragon 500's* Leading U.S. Bankruptcy & Restructuring Lawyers for 2020 and 2022, and recognized in *The Best Lawyers in America*. Ms. Toby has chaired multiple industry organizations and is currently co-chair of the Business Transactions Subcommittee of the ABA Business Bankruptcy Section. She received her B.A. from Michigan State University and her J.D. *cum laude* from Wayne State University, where she was a member of the Order of the Coif and worked on its law review.