



AMERICAN  
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## 2022 Health Care Program

# **Rising Distress in Senior Living: Census Is Down, CARES Act Funding Is Depleted**

### **John H. Rowland, Moderator**

Baker, Donelson, Bearman, Caldwell & Berkowitz, PC | Nashville, Tenn.

### **Elizabeth A. Pagliarini**

Summit Healthcare REIT | Laguna Hills, Calif.

### **Chad J. Shandler**

FTI Consulting, Inc. | New York

### **Jeremy Stroiman**

Evans Senior Investments | Chicago



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## With you today



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## Agenda

1. Causes of Distress in the Senior Housing Industry
2. Valuation
3. Landlord's Perspective on Dealing with a Struggling Tenant
4. Opportunities in the Industry
5. Subsector Discussion (IL/AL/MC/SNF/CCRC)
6. Is the situation going to get better or worse?



## Causes of Distress in the Senior Housing Industry

1. What do you think the main cause that is pushing the Seniors Housing industry into distress?
2. With the amount of Seniors Housing development the last few years did it impact the industry?
3. How has staffing impacted the industry?
4. Has inflation impacted the revenue side of the Seniors Housing industry?



## Valuation

1. Can you tell us how valuations have changed from pre-Covid to where we are today
2. How do buyers value a under performing asset?
3. If you could predict the future of Seniors Housing values...what do you think the next 6-18 months looks like?



## Landlord's Perspective on Dealing with a Struggling Tenant

1. What are you seeing, as a landlord, as the biggest challenges to your tenants and how are you working with them to assist?
2. Have you been receiving requests for rent deferrals, reductions and/or abatements?
3. Does this environment create opportunities for you as a landlord?



## Opportunities in the Industry

1. How have the CARES act or other pandemic programs impact facilities? Is there a continual overhang and for how long?
2. Have we gone as far as we can with kick the can down the road and what are the resolution triggers?
3. What are debt holders and prospective buyers looking at?



## Subsector Discussion (IL/AL/MC/SNF/CCRC)

1. Are you seeing different challenges among the various subsectors and if so, what are they?
2. Is there one (or more) subsectors that are doing better than the others? Why?
3. Does geography play an impact on how facilities have performed and future outlook?
4. Has migration of seniors played an impact?



Is the situation going to get better or worse?

# Faculty

**Elizabeth A. Pagliarini, CFE** is the COO, CFO and treasurer for Summit Healthcare REIT, Inc. in Laguna Hills, Calif., a public nontraded REIT that invests in senior housing real estate across the U.S. She also is a member of the board of directors of First Foundation Inc. and serves on its audit, compensation, and nominating and governance committees. In addition, she sits on the Mission Viejo, Calif., City Council Investment Advisory Commission and on the advisory board of the CFO Executive Summit, and she serves on the emeritus board of directors for Forever Footprints, a nonprofit organization that provides support to families that have suffered the loss of a baby during pregnancy or infancy, through which she educates the medical community to improve quality of care and response. Ms. Pagliarini previously was CEO and a chairwoman of the board of an investment brokerage subsidiary of a public company in Beverly Hills, Calif., and she co-founded a boutique investment bank and registered broker-dealer. In 2020, she won the Lifetime Achievement Award at the *Orange County Business Journal's* CFO of the Year Awards after receiving nominations for CFO of the Year in both 2019 and 2020. She has also been named one of “20 Women to Watch” by *OC Metro* magazine and nominated for the *Orange County Business Journal's* Women in Business Award. Additionally, she has been honored by Step Up Women's Network as the recipient of its Commitment to Philanthropy Volunteer Award and by Forever Footprints for its Compassion Award. Ms. Pagliarini received her B.S. in business administration with a concentration in finance from Valparaiso University, where she was honored with its highest academic award, the Presidential Scholarship.

**John H. Rowland** is a shareholder in the Nashville, Tenn., office of Baker, Donelson, Bearman, Caldwell & Berkowitz, PC and is a past chair of its Corporate Restructuring and Bankruptcy Group. He represents a variety of clients in complex business reorganizations, restructurings and financing transactions. Mr. Rowland regularly counsels companies facing financial challenges, and he is experienced in representing various constituencies, creditors and individuals in bankruptcy cases and adversary proceedings. He also represents buyers and sellers of distressed assets, parties who wish to proceed outside of bankruptcy, and lenders seeking to provide chapter 11 debtor-in-possession and exit financing. Mr. Rowland is a frequent presenter on bankruptcy-related topics. He has been listed in *The Best Lawyers in America* since 2005 for Bankruptcy and Creditor/Debtor Rights/Insolvency and Reorganization Law and Bankruptcy Litigation, named the *Best Lawyers' 2017* Nashville Litigation - Bankruptcy “Lawyer of the Year,” listed since 2008 in *Mid-South Super Lawyers* and selected as “Best of the Bar” in the *Nashville Business Journal* in 2005. Mr. Rowland was president of the Midsouth Commercial Law Institute from 2010-11 and chair of the Bankruptcy Court Committee of the Nashville Bar Association in 2004, and he is a member of the American, Tennessee (Executive Committee Member, Commercial, Bankruptcy, and Banking Law Section) and Nashville Bar Associations. He received his B.A. with honors in 1986 from Alma College and his J.D. in 1989 from the University of Kentucky College of Law.

**Chad J. Shandler, CPA, CTP, CGMA** is a senior managing director in the Turnaround & Restructuring Services practice of FTI Consulting, Inc. in New York and is co-leader of its Healthcare Restructuring Services. For more than 25 years, he has specialized in leading restructuring efforts as CRO or financial advisor on behalf of financially troubled companies, indenture trustees, secured

creditors and creditor groups. With deep expertise in developing financial and operating plans, evaluating restructuring alternatives and analyzing solvency issues, Mr. Shandler helps organizations and their stakeholders restructure and transform operations, drive enterprise value and maximize recovery. His industry expertise spans health care, higher education, nonprofit, telecommunications, retail, manufacturing and distribution, publishing, real estate and sports and entertainment, among others. In the health care sector, Mr. Shandler's expertise includes serving as CRO and advising stakeholders, with an emphasis in continuing-care retirement communities, assisted-living facilities, skilled-nursing facilities, freestanding emergency rooms, physician practices and hospitals. He has assessed their financial performance, compared their operating results to industry norms, developed "bottoms-up" multi-year financial forecasts, prepared business valuations, supported their asset sales and due-diligence processes, arranged financing, and evaluated their marketing plans, marketing efforts and the demographics of their primary market areas. Mr. Shandler's previous clients include Neighbors Health, Adeptus Health, Arlington of Naples, Hygea Holdings, Walker County Hospital District, Kingswood Retirement Community, Inverness Village, Dowling College, St. Francis Hospital and Health Centers, UGHS Senior Living, Erickson Retirement Communities and Tarragon Corp. He has been appointed as a special fiscal agent in the Superior Court of New Jersey and has been appointed in numerous fiduciary roles, including as the liquidating trustee of multiple companies. In addition, he is a frequent lecturer on bankruptcy, restructuring and accounting matters and has appeared on FOX Business News. Prior to joining FTI Consulting, Mr. Shandler was a partner and the national director of Restructuring & Insolvency Advisory and Dispute Resolution Services at CohnReznick LLP. In his community, he has served as a member of the Olin Alumni Board of the Olin School of Business at Washington University at St. Louis, the JFNA Emergency Committee and the UJA Federation of New York's Accountability Committee, a past chair of the Jewish Federations of North American National Young Leadership Cabinet and a past member of the UJA Federation of New York's Finance Committee. Mr. Shandler received his B.S.B.A. in accounting from Washington University's Olin School of Business.

**Jeremy Stroiman** is co-owner and leader of the Evans Senior Investments (ESI) in Denver and is responsible for continuing ESI's sales and marketing efforts. With over a decade of sales and marketing leadership experience, he ensures that ESI's commitment to provide significant value and responsibility to their clients continues. Prior to ESI, Mr. Stroiman spent several years in a variety of sales and marketing leadership roles at Covidien, a publicly traded company and a medical device industry leader. He also has worked in the senior-housing and skilled-nursing industry for more than 10 years. Mr. Stroiman received his undergraduate degree in business from Indiana University's Kelley School of Business.