



Executive of the Month: Wrzosek, president of the mortgage banking division of Centerline Holding Company - "It's worth leaving the farm"

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Robert Wrzosek was recently appointed president of the mortgage banking division of Centerline Holding Co., a New York-based real estate finance company comprised of more than 120 employees throughout 12 offices in nine states. Centerline has been in business for more than 40 years and today has a servicing portfolio of \$12 billion. Born and raised in Glastonbury, CT, a New England town located in the Connecticut River Valley, the thought of working in finance and living in Manhattan never crossed his mind when he was young. Farming was a more likely career path given his first paid job at twelve was at Villa's Orchard, a local apple farm (don't worry - twelve was the minimum age for agricultural employment at the time). "My family was your typical hard-working blue-collar family. Nothing was respected more than hard work. If you wanted something you worked and saved for it," Wrzosek said. "The reason for that job was because my mother refused to redeem her S&H green stamps (do people even remember those?) to buy a television. I decided to get a job and buy one myself."

Without realizing it, his business education began with that first job. "Farming may be the best finance and business training available," said Wrzosek. "You have to adopt a long-term view of profitability given the cost of required capital assets, and risk mitigation becomes second nature as there are multiple factors outside the farmer's control - like weather-impacting one's profitability."

After high school (and working on a farm for seven years), he decided that white-collar employment might be an attractive alternative. He left Glastonbury to continue his education at Ithaca College in Ithaca, N.Y. There he earned both a bachelor of arts in Philosophy, and a bachelor of science in Finance. "My friends joked the philosophy/finance combination simply meant I thought about money all day - but philosophy is a great complement to business. It demands logical thought and the ability to conceptualize facts from many perspectives."

After graduating from Ithaca College, Wrzosek headed to Duke University Law School and then to a legal practice in Washington, D.C. which culminated with a partnership in the D.C.-based firm of Eichner & Norris, PLLC. Wrzosek earned a second law degree, an LLM in taxation, from Georgetown University. He doesn't like to speak about it, "If I meet a person and they learn I have a law degree their response is more or less interested depending on their view of lawyers. However, if a person learns I have two law degrees, the response is universal - they conclude I'm the most boring person in the room and simply excuse themselves from the conversation." In 2005, he decided to leave his partners and the law to join Credit Suisse where he established and ran a TOB trading desk. "A TOB is simply a carry-trade with muni's - it's basically a coupon-cutting concept" he said. Then the calendar flipped to Feb. 2007. That's when Credit Suisse's head CMBS trader walked into a meeting and announced liquidity was "drying up across all asset classes." "While I wasn't

100% sure of the implications, I was pretty sure it wasn't good," he said.

The market disruption beginning in 2007 provided Wrzosek with an opportunity to put his legal and financial experience to work unwinding may of the troubled trades banks suddenly realized they made. He started as a member of Credit Suisse's team engaged by the Federal Reserve to value Lehman Brothers. The timing was a week before its bankruptcy filing, while the Fed and Wall Street were fruitlessly scrambling to keep Lehman afloat. After Lehman, Wrzosek was charged with winding down Credit Suisse's tax credit syndication platform, its life finance business, a mix of U.S. and European CMBS positions and, most pertinent, Credit Suisse's ownership of Column Guaranteed, a GSE/FHA lender similar in product type to Centerline's Mortgage banking division. During 2008, Credit Suisse tasked a team to evaluate whether or not to shut or sell its GSE/FHA business. "Anand Gajjar, my boss at the time, was the driving force behind that transaction," said Wrzosek. He was one of the few people who understood the value the GSE/FHA lending licenses held via their access to the government's balance sheet. Gajjar's prodding resulted in Credit Suisse deciding to retain a large minority interest in Column while selling a controlling stake to another industry GSE lender. The combined firm was rebranded Walker & Dunlop and Wrzosek, a member of Walker's board of directors, helped guide the firm as it grew and ultimately went public. Walker is now one of the industry's largest GSE/FHA lenders. Wrzosek hopes to lead Centerline to a similar (if not better) position.

Access to the government balance sheet is not the only aspect of Centerline that excites Wrzosek. "There's been a fundamental change in the regulation of the financial industry - and its impact has just begun to be felt," he said. "A business built around Centerline's GSE/FHA licenses would be exciting in its own right; but, the true opportunity is the finance of real estate via the marriage of lightly regulated private capital with highly regulated bank capital." According to Wrzosek, it's the combination of sources of capital that will provide Centerline the opportunity to grow into one of the pre-eminent financiers of real estate in America. "For that type of opportunity, it's worth leaving the farm," he said. Robert Wrzosek, Centerline Holding Co.

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