



Exec. of the Month: Goldwasser of FIA Capital Partners, cuts through complexity to find opportunities in distressed RE

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David Goldwasser

New York, NY The New York Real Estate Journal (NYREJ) sat down with David Goldwasser of FIA Capital Partners, our executive of the month, for a question and answer session.

Goldwasser is the founder and principal of FIA Capital Partners, a diverse real estate company that specializes in complex distressed commercial and residential real estate situations involving workouts, bankruptcy and litigation issues.

With over 20 years of litigation and crisis management experience, Goldwasser is busy these days responding to troubled loans and providing restructuring services for borrowers and guiding clients through restructuring, capital sourcing and resolution of distressed debt both in and out of court.

East Village property involved in a distressed RE deal
by FIA Capital Partners

NYREJ: What market trends are you seeing in the distressed market now?

Goldwasser: Today the market is still in flux. Nobody knows what tomorrow will bring. One day gov. Cuomo says to open gyms, then mayor DeBlasio says not to. We have lockdowns, self-quarantine and madness all over. This has decimated the real estate market as an operating business. But bricks have value and very few trades have been made thus far.

Some multifamily cash flowing properties, some development sites and apartments for residences have traded. But the retail sector—hospitality and hotel sectors—have not been trading. Regulators have not yet pressured institutional lenders so in many situations often they are extending forbearing and pretending all is well.

At some point in the near future soon reality will set in. This will pave the way for preferred equity and restructured capital stacks to make the transitions into new formations of ownership and deals with lenders in order to survive. The lenders do not want the real estate and then have to sell it, since this is not their business.

We see the market correcting in the next six to ten months with numbers and deals that will start to realize the actual values and not the perceived values that all are “wishing” for. The use of the bankruptcy courts at the moment now is mainly for retailers, restaurants and energy sector companies who cannot sustain their operations. The real estate companies have not headed there en masse yet. We believe it is a matter of time for this to happen and then the valuation wars and creative plans for reorganizations will start. That is where our firm plays a big role.

We have helped over 50 bankruptcy cases follow through and bring solutions to problems in ways people never imagined. Our experience in the forefront of workouts and bankruptcies is unparalleled for a boutique firm, and the outcomes speak for themselves.

Midtown Manhattan property involved in a distressed RE deal
by FIA Capital Partners

NYREJ: Tell me more about your company’s creative approach to tackling the challenges of bankruptcy and crisis management?

Goldwasser: We pride ourselves on being creative out-of-the-box thinkers willing to take on unique and challenging assignments. We routinely work with prominent law firms and accounting firms in furthering the best strategies for our clients.

When a party finds themselves in the crosshairs of a vulture fund or lender, we have been able, in many cases, to “turn the tables” and reset the playing field through creative thinking and aggressive legal approaches. Many predatory lenders do not understand that the notes they buy have loan documents which work for both sides. It is not a one-way street and reality also plays a part in the equation.

There are properties and people’s livelihoods at stake in these crisis situations. We look at the situation from the minds of all parties and see what will make the most sense for the exit.

Sometimes, partners cannot reach an agreement to save the deal and they are hurting everyone. We use our experience with the law to assist in deciding in the best interest of the business to preserve equity for the stakeholders. Often people only focus on numbers, but buildings must operate for value to be there and be preserved. We use a very execution-based methodology that most people do not focus on.

NYREJ: What makes FIA Capital Partners unique in its approach to acquiring litigation positions, bankruptcy claims, tax liens, defaulted notes and providing rescue capital for distressed properties?

Goldwasser: In various situations, FIA Capital Partners buys into litigation positions, bankruptcy claims, tax liens and provides rescue capital for distressed properties nationwide. I have served as chief restructuring officer in many bankruptcy cases and related situations.

Before founding FIA Capital Partners, I gained valuable experience advising several large real estate groups and family offices, serving as a director of acquisitions and head of construction management, and as regional project manager for Nikon Construction in South Florida where I managed over \$45 million of disaster relief construction from Hurricane Wilma, running a workforce in excess of 300 people.

We have offices in New York City, on the West Coast and in South Florida.

In its nearly two decades, FIA Capital Partners has acquired all types of positions and effectively used litigation when necessary to exit out of distressed situations. By using our knowledge and FIA Capital Partners’ experience in distress and bankruptcy, we navigate the waters and reach out of the box solutions others are not focused on. The key to all of assignments and transactions is having an execution plan before we start and remaining nimble enough to react and modify as situations develop.