

## South Carolina firm takes hold of 44 DBSI properties

Posted: Friday, February 6, 2009

A South Carolina firm has won approval to manage 44 properties formerly operated by DBSI Inc. as part of the Meridian real estate investment firm's reorganization in Delaware bankruptcy court.

**TIC Properties Management LLC**, of Greenville, S.C., announced today that the court approved its bid to run the properties as part of an auction of DBSI's property management business and other assets, a process that began in **late January**.

The other 200 or so properties in the **bankruptcy case** all have new property management as of this week, too, said Joe Boyd, CEO of TIC Properties LLC, parent company of TICPM.

DBSI Inc. and more than 140 of its affiliates **filed for bankruptcy** in November. The case involves 248 commercial properties and more than 8,500 investors.

TICPM won a bid for DBSI's property management business during an auction on Jan. 29, said Marlene Arteta, TIC Properties' vice president of marketing. Of 89 investor groups that opted into the auction, 38 selected TICPM as the new manager of their properties, while six investor groups outside of the auction process later did, too, she said.

The remaining investor groups have all selected other property managers, Boyd said.

Arteta said TICPM will now begin the "arduous process" of creating a new plan for each of the 44 properties after looking at leases, market conditions and whether bills are up to date.

"One of the primary goals we have right now is just to communicate with investors, let them know what's going on," she said. "They've been in such a state of turmoil since all of this began in November, we're now hoping with some of these solutions in place, they can begin to sleep a little better at night."

The 44 tenant-in-common properties taken over by TICPM include 1.6 million square feet of retail space, 1.8 million square feet of office space, 92,000 square feet of multi-family property and 179,000 square feet of industrial property. Tenant-in-common means that multiple owners buy fractional shares of a property. Approximately 800 investors own pieces of the TICPM properties.

Boyd said the master leases that structured the investments under DBSI have all been rejected by the bankruptcy court. TICPM could have had the master leases reassigned, but only after paying back rent, curing defaults and changing the leases in other ways. The properties are now all managed under more typical property management agreements, he said.

"It was a perfect opportunity for us to put control of the properties back into the hands of the people that should control the properties," Boyd said.

The transaction is being funded by National Bank of South Carolina. The price is being kept confidential.