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Seeking value: Lawyer serves as receiver for once proud Northland



*A University of Michigan alum,
Frank Simon earned his law degree
from the University of Detroit.*

By Sheila Pursglove
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Attorney Frank Simon brings a quartet of skills to his work: as a litigator, a workout attorney, as a receiver for distressed properties, and as a licensed real estate broker.

"These areas of expertise go hand-in-hand and allow me to create great value for clients with their legal matters," he says.

As an example, Simon was appointed receiver of a strip center with tenants, and through his brokerage knowledge was able to determine the market rent for the tenants when their leases were up for renewal.

"We were able to prepare leases as attorneys, then through my brokerage experience, find a buyer for the strip center for the bank," he says.

Managing partner of Simon PLC, in Bloomfield Hills, and leader of its Financial Institution/Litigation team, Simon has made receivership a large part of his practice in the past six years, and has acted as a receiver for more than 80 distressed properties.

He currently serves as receiver for the Northland Center Mall in Southfield that closed at the end of March. The first regional shopping mall in the U.S. in 1954, and the first major post-war development in suburban Detroit, the mall went into receivership last fall after New York-based Ashkenazy Acquisition, the mall's owner since 2008, reportedly defaulted on a \$31 million loan, leaving about \$27 million still in arrears. Oakland County Circuit Judge Wendy Potts, who appointed Simon as receiver, authorized the mall's closure in February.

Simon is now entertaining offers for the mall and he said that there have been "several" submitted that are being reviewed.

Despite the collapse of the Northland Center Mall, Simon is optimistic about the renaissance of his hometown and the surrounding area.

"I see a great city awakening," the Detroit native says. "New businesses are moving into the city and that will create more jobs and greater economic activity. I'm very hopeful for the city of Detroit."

Simon started on his career path with an undergrad degree in liberal arts, with distinction, from the University of Michigan, followed by a juris doctor from the University of Detroit School of Law, where he was managing editor of the Michigan Business Law Journal.

But it was his graduate work in the banking program at the

University of Wisconsin that put him on the course with a unique banking knowledge that few attorneys possess.

"Growing up in a business environment I realized attorneys needed to be very cost effective and obtain results," he says. "I wanted to be that type of attorney. I always wanted to be a strong advocate for clients and their assets.

"I wanted to learn about the banking industry, how things worked internally, and to enhance and demonstrate my commitment to the representation of financial institutions by completing the three-year program, and earning an additional graduate degree."

As a receiver, Simon enjoys obtaining resolutions for complex scenarios involving real property, operating businesses, and domestic disputes.

"It's heart-warming to be able to renovate a building or business and preserve the value and then locate a buyer who will invest in the business and save jobs that could have been lost," he says.

"As a seasoned court appointed receiver I'm able to address the concerns of any borrower, while at the same time stabilizing a property, collect revenues and position the property for disposition, typically via a court approved sale and being able to reduce or eliminate any redemption time periods."

Receivership can insulate the lender from claims of liability, replace ineffective management, and bring a measure of stability and accountability to a distressed asset, Simon explains.

"Additionally, if the lender lacks confidence in the management skills of the borrower or if the lender believes the borrower has committed financial defalcations and needs a thorough independent review of the borrower's operations and financial record keeping, a receiver will be able to conduct those actions," he notes.

"As a receiver, I can also maximize cash flow because a receiver is not liable for pre-appointment trade obligations and therefore may be able to renovate the asset or do needed construction for added value."

According to Simon – a licensed member of the bar associations in Michigan, Illinois, New York, and District of Columbia, where his firm has active practices – the situation about distressed properties around Michigan, and the U.S. in general, has improved since the recession.

"Appraisal values have now come back to pre-recession levels and financial institutions have returned to lending, which has helped owners to refinance the assets," he says. "In addition, landlords have the funds now to renovate their assets to attract tenants."

Named among Michigan Super Lawyers and DBusiness Top Lawyers, Simon is active in the financial institution community where he is a member of the Michigan Association of Community Bankers, Commercial Law League of America, and Michigan Bankers Association, and authored "The Unique Approach to Bank Litigation, Foreclosures, Collections, and Insolvencies Gets Results," for Michigan Bankers Magazine.

Simon and his wife Lena make their home in West Bloomfield, with their daughters, ages 5 and 4, and 2-year-old son.

"Family is very important to me and spending time with my wife and children is the utmost happiest time for me," he says. "There is absolutely nothing better than being with my family."

In his leisure time, Simon enjoys working out, volunteering for charity events, and donating regularly to a number of organizations.