

## Why install a receiver?

“Appointment of a receiver is a quick cost effective way to preserve value of an asset while alleviating creditor risk.”

Receivers are neutral agents of the court recommended by secured creditors and appointed by the court. In general, a receiver protects the underlying collateral from being damaged or its value being diminished. A receiver can also help minimize lender liability and risk of ownership for a creditor holding a secured loan. A receiver can oversee and protect the asset during the foreclosure process and ideally bring an earlier and higher recovery on the loan. Using a receiver to sell real property is a popular alternative to the statutory execution sale that occurs under a non-judicial foreclosure.

## Advantages

### Save time & maximize recovery

The traditional sequence of default, filing the notice, waiting jurisdiction period, conducting foreclosure, engaging a broker, marketing the asset for a reasonable period and negotiating the sale can be dramatically shortened, which also helps maximize loan recovery.

### Recover, Market and Sell

Receiverships offer a lender the opportunity to receive, preserve, and/or liquidate its collateral -- pending the court's resolution of the secured creditor's claims. An earlier sale will usually deliver a higher price and better recovery for the creditor.

### Risk alleviation

Receivers can finish incomplete projects at the direction of the court while limiting the creditor's construction risk.

### Preserve value

Receivers can complete or protect land use approvals at the direction of the court to preserve or enhance the value of the collateral.

### Cash flow

Receivers can lease vacant space or modify existing leases at the direction of the court to generate or increase cash flow.

### Completion during process

Completed projects generate a higher sale price than incomplete projects.

## Disposition management

The receiver manages the sale with very little effort needed from the creditor, and can sell the property on the open market with a broker to realize the highest return possible.

## Early marketing

The receiver can start marketing the property immediately and prior to the traditional - and lengthy - non-judicial foreclosure process. The receiver's ability to immediately begin the process of marketing the property is critical in a period of rapidly declining values – and will ultimately generate higher returns for the lender.

## Quick control

A receiver can be installed in three days at a cost effective rate.

## Effectiveness

Property offered for sale by a receiver has a higher probability of selling and closing when compared to the traditional court house steps sale.

## Selling through the court

Sell property in receivership helps the creditor avoid potential liabilities including environmental problems, development obligations, construction warranties, and the perceived "deep pocket" exposure related to unpaid vendors attempting to get the lender to pay the debtor's obligations.

# Getting started...

If you think you are in need of a receiver, call CWP Advisors to discuss your case. Nearly every case requiring appointment of a receiver will involve extraordinary circumstances that warrant special attention. An informal discussion with a receiver will:

- Confirm whether or not appointment of a receiver is appropriate based on the facts of your specific case
- Determine how to convey that an execution sale is not an adequate remedy and appointing a receiver is appropriate
- Discuss how appointing a receiver is in the best interests of all parties involved
- Reveal important points and provisions that must be included in your application and order
- Help you plan a timeline for the appointment of the receiver, commencement of the receiver's duties and obtaining the goals of the receivership

In certain instances, appointment of a receiver to sell real property in aid of execution may be the preferred method of a creditor due to its increased likelihood of success and greater net return. A receiver may not be an appropriate remedy for all circumstances but should be seriously considered.