

Los Angeles, CA -June 2013 Gauntlet Principal Investment has funded a \$4.5 million dollar loan for the discounted note pay off of an 11 property portfolio in and around Detroit, MI. The borrowers tried to close the transaction on their own and with multiple funding sources for almost a year before selecting Gauntlet for the transaction. Gauntlet issued a commitment to fund within 30 days of receipt of all relevant information, however, the bank holding the note dragged closing out an additional few months. The loan improved the equity position of the borrowers by nearly \$6 million dollars; however lenders shied away from the collateral for numerous reasons. Detroit, MI has been one of the hardest hit submarkets and Michigan as a state has the population decline for many consecutive years. Reported insolvency and a potential bankruptcy by the city also made the loan quite difficult to fund. Additionally the portfolio, while anchored by 3 MF properties, had numerous office properties which were largely leased by month to month tenants. "This transaction needed to be restructured with additional incentive given the risk that the lender would be taking, but we were more than able to do that," commented President Michael A. Clinton, Gauntlet Principal Investments.

Gauntlet Principal Investment is a real estate and business focused direct investor with investment banking and advisory services which focus on providing first trust deed bridge loans, 2nd trust deeds, and high leverage mezzanine loans. The company is a spin off from Gauntlet Commercial Real Estate Capital which previously operated out of Phoenix, AZ and Beverly Hills, CA. For more information about our firm please go to www.gauntletpi.com